Daily Report

Latin America

FBIS-LAT-92-084
Thursday
30 April 1992

Daily Report
Latin America

FBIS-LAT-92-084 *30 April 1992*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

FRONT PAGE

INTER-AMERICAN AFFAIRS

* Colombian, Venezuelan Gulf Conflict Analyzed *[EL UNIVERSAL 13 Mar]* 2

CARIBBEAN

Cuba

GRANMA Article on Bush Embargo Statements *[Havana Radio]* 6
Envoy on Proposal Against U.S. at UNSC *[Havana Radio]* 7
Meets With Nonaligned Members *[Havana Radio]* 7
Castro Attends End of Potato Harvest Ceremony *[Havana TV]* 8
Sancti Spiritus Exercise 'Highly Satisfactory' *[Havana TV]* 8
SRV Sugar Refinery To Employ Cuban Technology *[Havana Radio]* 8
Government, French Firm Agree to Joint Venture *[AFP]* 8

Haiti

Tripartite Meeting Begins in Camera 29 Apr *[Port-au-Prince Radio]* 8
Information Minister Expects Solution *[Port-au-Prince Radio]* 9
Senator Interviewed on Disclaimer Declaration *[Port-au-Prince Radio]* 9
Day of Protest Lacks Support in Capital *[Bonaire Radio]* 10

CENTRAL AMERICA

El Salvador

Gen Vargas Discusses Agreements, Overflights *[San Salvador TV]* 11

Guatemala

Report on Serrano's National Address 26 Apr *[PRENSA LIBRE 27 Apr]* 11
Serrano on Bombing of Bank, Student Protests *[Guatemala City TV]* 12
Bank Bombed; 24 Injured *[LA HORA 29 Apr]* 12
Bomb Explodes in Embassy *[Panama City ACAN]* 13
Army Finds Bomb Factory *[Panama City ACAN]* 13
Student Protestors Arrested *[Guatemala City TV]* 13
Court, Riot Police Evict Over 1,500 Squatters *[PRENSA LIBRE 28 Apr]* 13
Government Resumes Civilian Patrols in South *[Guatemala City TV]* 14
Defense Minister Denies Military Link to Drugs *[PRENSA LIBRE 28 Apr]* 14

Nicaragua

Politicians Predict Dissolution of UNO Coalition *[LA PRENSA 25 Apr]* 15
UNO Parties Demand President Keep Promises *[LA PRENSA 26 Apr]* 15
Editorial on First 2 Years of Chamorro Government *[Managua Radio]* 16

SOUTH AMERICA

Argentina

Di Tella: OAS Foresees 'Imperfect Solution' *[Buenos Aires Radio]* 18
Lawsuits Filed Against Economy Minister, Deputy *[Buenos Aires Radio]* 18

Bolivia

Foreign Minister Maclean 'Regrets' Coup in Peru *[Madrid EFE]* 18
Paz Zamora Makes Proposals at Drug Conference *[La Paz Radio]* 18
Agreement Signed With Chile *[Madrid EFE]* 18
Interpol Registers Foreigners To Halt Terrorism *[La Paz TV]* 19
Four Generals Face Trial on Corruption Charges *[La Paz Radio]* 19
Minister Calls U.S. Tin Sale Talks 'Positive' *[La Paz TV]* 19
Border Agreement With Chile Gains Territory *[La Paz TV]* 19

Brazil

Minister Reports End of U.S. Trade Sanctions *[Rio de Janeiro TV]* 20
Collor Views Salary Equity, Government System *[Brasilia Radio]* 20
Navy Minister on Salaries *[FOLHA DE SAO PAULO 26 Apr]* 20
Collor Reaffirms Support for Economy Minister *[Rio de Janeiro TV]* 21
Government Negotiating Oil Deal With Cuba *[Mexico City NOTIMEX]* 21
Government Gives Priority to Four Projects *[FOLHA DE SAO PAULO 28 Apr]* 22
Meeting on Environment Seeks Improved Relations *[Brasilia Radio]* 22

Peru

San Roman Insists on Dialogue With Fujimori *[Mexico City NOTIMEX]* 22
Site Needed for San Roman's National Dialogue *[Lima TV]* 23
Election Board Supports Fujimori's Schedule *[AFP]* 23
Several Dead, Hurt After Clash With Military *[Lima TV]* 24
New Group Formed; Calls For Violent Struggle *[Madrid Radio]* 24
APRA Leader Released, Claims Police Torture *[Mexico City NOTIMEX]* 24
Decree Extends State of Emergency in Grau *[Lima Radio]* 25
Decree Approves Elections of Mayors, Councilmen *[EL PERUANO 17 Apr]* 25

Venezuela

Carabobo State Police Strike for Better Wages *[AFP]* 25
Strike Ends; Accord Reached *[Caracas TV]* 25
Defense Minister Comments on Prisons, Colombia *[Caracas TV]* 26
* Finance Minister Presents 1993 Budget *[EL UNIVERSAL 19 Mar]* 27

Guyana

Economic Recovery Program Gains EEC Support *[CANA]* 30

Peru

Maximo San Roman, president of the government of reconciliation, insists on holding a dialogue with President Fujimori's government because he hopes "democracy will soon be restored through dialogue," NOTIMEX reports. San Roman says the dialogue must be held soon because the risk of becoming "completely isolated" in the world is great if Fujimori "continues to be stubborn" in his refusal to deal with the opposition. As an example of the growing isolation, San Roman notes a "very strong" current in the U.S. Congress determined to adopt a drastic measure and "exert pressure" on Fujimori's government to restore constitutional order. Lima TV reports that the national dialogue, sponsored by the San Roman government, will be moved on 30 April from its scheduled location because of threats made to the owners of the building where the dialogue was to take place. Vice President Carlos Garcia characterizes the threats as "efforts to intimidate us," however he insists that they will "forge ahead" with the dialogue.

At least three people are killed and 13 injured during a clash between soldiers, police, and residents of the Felix Raucana shantytown, Lima TV reports. The violence develops out of a protest by residents angered at the presence of security forces within the shantytown and the arrests of two local leaders.

Guatemala

A rash of bombings are occurring in the capital city as two bombs explode—one in the State Bank Office and the other in the building housing the Costa Rican Embassy—ACAN and LA HORA report. In a news conference carried by Guatemala City TV, President Serrano calls the bombings a "despicable and unfortunate act because it is a terrorist action that the people of Guatemala condemn and repudiate."

Haiti

Port-au-Prince radio reports on the start of the tripartite summit on the national political crisis, which includes the Army, the National Assembly, and the executive. The meeting is being held in camera. During an interview with Port-au-Prince radio, Information Minister Bissainte states that he expects a national agreement to emerge from the summit, but points out that "the position of the government on the Washington agreement has not changed. It is clear, that the document cannot be considered the solution, given the decision of the Court of Cassation."

* Colombian, Venezuelan Gulf Conflict Analyzed

92SM0351A Caracas EL UNIVERSAL in Spanish Section 1, 13 Mar 92 p 19

[Article by Orlando Ochoa Teran: "Venezuela and Colombia Take Inspiration From Bolivar and Arm Themselves"; first four paragraphs are editorial introduction]

[Text]

- The "Caldas" incident was the starting point for an arms race while the two countries negotiate.
- The admission by the leaders of the abortive coup d'etat of 4 February 1992 that the controversy around the port on the Gulf of Venezuela was the determining factor underlying their action leaves a disturbing, unknown factor involving their intentions toward Colombia, had they been successful.
- The ideals of Bolivar are inspiring violent actions in both countries.
- The Consultative Council should include Colombia on its agenda.

At 0900 on 9 August 1987 a German-built, missile-bearing corvette with the designation FS-1500 was approaching the position of 11° 46' North latitude and 70° 52' West longitude, heading west, when it sighted the ARV "Libertad," a Venezuelan Navy patrol craft, which was located at 11° 49' North latitude and 70° 54' West longitude. The captain of the "Caldas," a Colombian corvette, contacted the captain of the Venezuelan patrol craft and warned him to leave the "Exclusive Economic Zone of Colombia." The Venezuelan captain answered him firmly that there is no such "Colombian Exclusive Zone" and said that they were in the Gulf of Venezuela.

On 19 August the Colombian corvette was still in the area while the leaders of the two countries made their usual denunciations of each other. The high commands of the respective armed forces declared that they were in a state of alert.

Then good sense prevailed, and the "Caldas" withdrew from the Gulf of Venezuela, leaving behind it, in addition to uncertainty about the future of relations between the two countries, a whole series of questions and speculation about the security and defense policies and doctrines of the two nations.

The Bolivar Movement

The "Caldas" incident was not the only one in the history of the relations between the two countries. However, its importance, from the diplomatic and strategic point of view, is derived from the fact that it was deliberate and calculated. There was no subtlety about it. Its objective was to force Venezuela to resume conversations about alleged Colombian rights in the maritime and underwater areas of the Gulf of Venezuela. The message was clear, and it was understood. Colombia has not abandoned its claims and attaches great importance to them, to the point of risking armed conflict. The reply was also clear and blunt. The Venezuelan armed forces are not playing around on this matter.

The young officers who recently attempted to carry out a coup d'etat have admitted to the parliamentary committee investigating the matter that the controversy resulting from the statements of President Perez regarding his intention to build a deep-water port in the Gulf of Venezuela was the development that prompted them to take action. This fact more than demonstrates the sensitivity of this subject to our officers. At the same time it raises disturbing questions about the way in which Major Chavez and his group would have handled this problem if the military uprising had been successful.

Independently of whether you attribute to them the labels of Nasserism, a messianic complex, or an outlook of romanticism, it would be interesting to learn from the mouth of one of the "Bolivarian ideologues," particularly from Major Arias Cardenas, how this "Bolivarian" outlook would have worked in relations with Colombia. As has been said, this would apply to all kinds of ambiguities.

A group that calls itself the "Bolivarian Movement" is also a part of the Front for the Defense of the Sovereignty and Territorial Integrity of Venezuela, of which Dr. Lara Pena is the president. This movement had the custom of signing announcements inviting people to denounce [former] Colombian Minister of Foreign Affairs Londono. This is the same type of nationalist tendency. However, presumably it has no connection with Majors Arias and Chavez.

The "Supporters of Bolivar" in Colombia

It is known that radical, nationalist elements in the Colombian armed forces also make use of "the views of Bolivar" as part of their anti-Venezuelan positions. Ceremonies are frequently held for the transfer of command between officers of our neighboring country, at which phrases and thoughts of Simon Bolivar are quoted that refer to the role of the army of New Granada in achieving the independence of Venezuela, without which such independence would not have been possible. Arrogance and an alleged attitude of contempt for Colombian rights on the part of Venezuela have also made officers in our neighboring country more sensitive.

Bolivar is also an unending source of inspiration in the struggle against guerrillas. At the other end of the political spectrum, the guerrillas are also supporters of Bolivar. The organization that unites and represents them in action and in the peace negotiations in Venezuela and in those coming up in Mexico is called the "Simon Bolivar Coordinating Committee." The attack made by M-19 [19 April Movement] to capture the sword of the Liberator [Bolivar] symbolizes the same Bolivarian spirit and comes from the political right that supported Rojas Pinilla.

Hypothetical Conflict

The danger lies in the fact that, although Bolivar has served as an inspiration for all of our governments, whether democratic or authoritarian, including both extremes, ranging from the smallest village and the humblest version of a prefect, this has also been the case with Colombia. And if anything is clearly explainable by quoting Bolivar, in addition to honor, justice, and generosity, it is war. This concept should not be difficult for any Colombian officer trained and familiar with the primary hypothetical possibility of conflict: war with Venezuela.

On 15 November 1989 General Filmo Lopez Urdaneta, then minister of national defense, referred to this reality when, speaking at the opening ceremony of a basic training course at the Army Basic Training Center in Maracay, he stated that "the problem of risk-free penetration into our national territory has not been resolved." Therefore, it is no wonder that the idea of a conflict is a key consideration in the formulation of security and defense policy in the two countries.

For the time being the armed forces of Colombia have their sights fixed on guerrilla warfare. If this guerrilla war is ended by military means or by negotiation, what is next? Venezuela is a good objective, now that the indices of production in the two countries are almost at the same level, due to the fall in our production and the increase in their production. The Colombian defense establishment is not what it was 10 years ago when General Camacho Leyva, then Venezuelan minister of national defense, estimated that the armed forces of Colombia would need $5.0 billion to reach military parity with Venezuela.

Venezuela Unites Colombia

The "Caldas" had hardly tied up at the Cartagena naval base when the Colombian military and political establishment began to implement a program of purchasing and modernizing equipment and defensive systems. This program began with the reform of tax and import laws to facilitate purchases by the armed forces. In the same month of September 1987 the budget of the Colombian Ministry of Defense was increased. The reforms in the laws and the arms purchasing program were agreed to by a consensus among all of the political parties supporting the government and the opposition, including the most radical groups.

Traditionally, Colombia had devoted between 1.0 and 2.0 percent of GNP and between 6.0 and 10.0 percent of its budget to defense. However, beginning in 1988, the defense budget in Colombian pesos increased by more than 80 percent. If allowance is made for inflation during the intervening years, the increase in real terms was more than 60 percent.

Colombia Goes Into the Arms Market

- In 1987 Colombia contracted for 11 Sikorsky S-70-A "Blackhawk" helicopters with the U.S. Air Force Systems Command in St Louis, Missouri. Each helicopter cost $5 million.
- In 1987 Colombia received 200 tons of arms from Israel, including "Galil" automatic rifles, machine guns, hand grenades, rockets, and ammunition.
- In September 1987 Colombia signed a contract with Teledyne in Toledo, Ohio, for $13 million in spare parts for J-69-T25/25a motors.
- In 1988 Colombia negotiated in Munich, Germany, for four MBB BO 105CB antisubmarine warfare helicopters for the FS-1500 corvettes and 10 additional BO 105CB helicopters.
- In 1988 Colombia received eight Cessna A-37B "Dragonfly" combat aircraft and three CASA C-212 Aviocar Turboprop transport aircraft.
- In September 1989 Colombia received five Bell UH-1 helicopters.
- As a part of a program of military assistance in the fight against drugs, the United States provided Colombia with jeeps, trucks, patrol boats, and helicopters worth $65 million in 1989 dollars. Recently, the North American government has questioned the use of this equipment in the war against the guerrillas.
- In 1989 work began on a port in Uraba Bay on the Caribbean Sea.
- Negotiations have been undertaken for advanced training jets, with consideration given to EBM-312 "Tucano" aircraft from Brazil and Pilatus PC-9 aircraft from Switzerland.
- Negotiations have been conducted with Israel for the purchase of expensive corvettes to replace old Colombian destroyers that are now out of service.
- A program for the modernization of the T-209 class submarines began to be implemented in 1989 with the German firm Howaldtswerke Deutsche Werft of Kiel. The program is designed to give the submarines greater capability. They will have a hybrid propulsion system that makes unlimited and silent propulsion under water possible. The work also includes a new Krupp-Atlas SLW 83 fire control system, based on the CSU83T sonar. SUT torpedoes were replaced by new DM2A3 torpedoes for use against surface and submerged targets.
- After several years of discussions Colombia decided in 1988 to negotiate with the AIA Company in Israel. In July 1989, 13 Kfir fighters were received. The agreement was valued at $200 million, with a loan extended by Israel on favorable terms at a 9.0 percent interest rate. Part of the payment has been made in Colombian coal.
- Negotiations with Israel included providing new engines for the 13 Colombian Mirage 5S aircraft and a system of in-flight refueling to increase the range and combat radius of all combat aircraft.

Venezuela Also Goes Into the Arms Market

The Venezuelan version of the reaction to the "Caldas" incident had the name of the Overall Purchasing Plan. Although the above and following lists do not include all of the purchases made by the two countries, they provide evidence of the arms race since the "Caldas" incident.

- About 80 light, Scorpion 90 tanks were ordered from the Alvia Company (of the United Kingdom), armed with Belgian-made Cockeril MK 3.90 mm guns.
- A contract was signed with Creusot-Loire Industries, a French company, to put new engines into the 31 AMX-13 light tanks, which have also been selected by the French Army. The AMX-13 tanks will be provided with new diesel engines, hydroneumatic suspensions and 105 mm guns capable of firing APFSDS [armor piercing] ammunition.
- The Matra and Aerospatiale Companies of France received orders from Venezuela valued at $100 million for two "Magic" short-range, air-to-air, self-guided missiles, Durandal bombs for use against landing strips, and AM-39 Exocet antiship missiles.
- The Dassault-Breguet Company and SNECMA, its subsidiary, signed a contract with Venezuela worth $270 million for the basic acquisition of seven new Mirage 50 aircraft and 24 Atar 9K-50 engines to be installed in the Venezuelan Mirage III-EV, Mirage 5V, and the two-position Mirage 5DV aircraft.
- The new Mirage aircraft were equipped with multi-projection Thomson-CSF "Cyrano" radars with a heads-up display and with Sagen Uliss 80 inertial navigation units.
- McDonnell-Douglas Astro has offered Venezuela 18 "Harpoon" RGM-84D-3 antiship missiles. The total cost is $50 million.
- The Aerospatiale Company of France is supplying eight "Super Puma" helicopters for tactical transport. Each helicopter will carry 25 fully equipped commandos. The cost of this system is 500 million French francs.
- In the same way the Venezuelan Air Force is receiving a fleet of OV-10-A "Bronco" aircraft and two Boeing 707 supertankers with a system for aerial refueling, while the V-F5 aircraft are receiving new engines in Singapore.
- Seventy Bofors RBS70 Ray Rider surface-to-air missiles were ordered to complement other equipment acquired, such as the medium-range "Roland" system.
- LARS, or multiple rocket launching systems, are being acquired from Israel.
- The U.S. Air Force Air Logistics Center at Kelly Air Force Base in San Antonio is providing munitions for Venezuelan F-16 aircraft.
- A contract valued at about 2.0 billion bolivares has been entered into with the Van Dam Company of Venezuela to install Teledyne engines in Venezuela's 81 AMX-30 heavy tanks.
- Ninety-eight "Dragoon" 1300 armored cars, valued at more than $20 million, have been purchased from the Arrowpointe Company in the United States.
- The purchases made include communications equipment, such as the "Turpial" system for the Navy and RB12 radar systems for the National Guard, an integrated fire-control center for submarine torpedo tubes, an ITT "Gilfillan" command and control system with a Selenia ATCR2 processor, a "Guardian" system with Breda 40170 equipment, and six "Roland" SAM's [surface-to-air missiles].
- The Navy has contracted to install new engines in the T-209 submarines in Kiel. Bids have been invited for the modernization of the "Sucre" class frigates. This includes the replacement of the Landa ESM electronic warfare system and major servicing of the antisubmarine warfare support helicopters. In 1991 the "Punta Brava" oceanographic ship was procured from Spain, as well as new G.222 CASA Aviocar transport aircraft.

Does the Gulf of Venezuela Belong to Venezuela?

The ideological ambiguity attributed to the Bolivarian Movement is the same as that in our official posture toward Colombia. It is commonplace in Venezuela, especially in political circles, to point out, when speaking of relations between Colombia and Venezuela, that the foreign policy of our neighbor is more coherent than our own because it is answerable to a social class, which gives it strength and content.

The confusion caused by the statements of President Perez regarding the establishment of a deep-water port on the Gulf of Venezuela did not fit into a serious security and defense policy. Neither did the opposition contribute to the debate when Eduardo Fernandez, secretary general of COPEI [Social Christian Party], summarized its position in an empty and banal statement, proclaiming that, "The Gulf of Venezuela belongs to Venezuela." This statement did not formulate any principle, it committed us to nothing, and it said nothing.

In the midst of so much confusion the people are asking themselves, "Does the Gulf of Venezuela belong to Venezuela?" Meanwhile, the two countries are arming themselves, and just as the political leadership was denying it and was rejoicing at the possibility of striking a blow against Colombia, who can assure us that we are not equipping ourselves for war? The democrats? The admirers of Bolivar? Which ones? Those over there, or those over here?

Consultative Council and Defense

A new attitude, based on solid, doctrinal principles, should be included on the agendas of the Consultative Council and of President Perez.

The unusual circumstance that Ramon J. Velasquez and Pedro Pablo Aguilar are members of the Consultative Council at the same time an officer with political instincts is minister of defense, such as Ochoa Antich in Venezuela, and a political leader like Prada holds office in Colombia, should make it possible to negotiate a process of disarmament that Senator Aguilar himself has already suggested. Both Aguilar

and Velasquez are statesmen who are acquainted with Colombian realities and know the principles and doctrine of security and defense policy. The opportunity could not be more favorable.

We have already seen the consequences of improvisation. A recent secret poll among military officers proves this, which Carlos Coes referred to in his Monday newspaper. It points to two fundamental causes: corruption and the situation in the Gulf of Venezuela. Some national priorities leave the Gulf of Venezuela and the Colombian claim to one side. However, we know already that the problem is a recurring one.

Cuba

GRANMA Article on Bush Embargo Statements

FL2904161092 Havana Radio Rebelde Network in Spanish 1155 GMT 29 Apr 92

[GRANMA article by Nicanor Leon Cotayo: "New Phase of the Siege of Cuba," published 29 April]

[Text] I do not disagree with those who have attributed an electoral cast to George Bush's most recent pronouncements regarding Cuba. However, at the same time, I think that to take as definitive that partial assessment would be as superficial as it would be dangerous. From 4 March in Miami up to last week before Hispanic reporters, Bush has been defining the phase his government's strategy toward Cuba is entering: taking measures that skirt the limits of a state of war in order to increase the difficulties of daily life in Cuba with the objective of trying to break its resistance to Washington's designs.

Bush announced this on 18 April, when he said at his Maine country home, that he will work with the Congress for the approval of a stronger and more effective law that will intensify the embargo against Cuba. In that context, he added that he had instructed the Department of the Treasury to issue regulations prohibiting entry to U.S. ports to vessels participating in trade with Cuba. Six days later, on 24 April, the Department of the Treasury's office for the monitoring of foreign property announced that as of 23 April 1992, no vessel carrying passengers or goods to or from Cuba may enter U.S. ports.

A substantial part of the genesis of this now-revived and accelerated policy goes back to the days that shaped the beginning of the so-called October Missile Crisis of 1962. At the beginning of October 1962, the U.S. authorities decided to give a sort of big push to international efforts they had initiated to prevent Havana from leasing merchant ships. Explaining the reasons for such a stance, the newspaper THE NEW YORK TIMES said back then that: The plan arose because many nations that depended on maritime business refused to stop trading with Cuba, on the premise that neither we nor they are at war with that country.

Back then—almost 30 years ago—it fell to the TIMES to define the main objective being pursued by Washington by means of this line of conduct: The current program is actually an ingenious way to extend the embargo by means of the control we exercise over the use of our ports and over the transportation of exported goods. Days later, the same paper commented that: This latest squeeze on Cuba will create the conditions under which the internal movements against the Castro government will have a better chance of success."

Despite all this, and as an interesting peculiarity amidst the panorama of the current times, Cuba remains on its feet. Linked to this, and in order to have a better idea of the current phase of the White House's strategy against Havana, it is fitting to take a look at the speech made on 8 April by Robert S. Gelbard, the main deputy under secretary of State for Inter-American Affairs. This high-ranking U.S. official said before the Foreign Relations Committee of the House of Representatives that: Our regular diplomatic contacts worldwide constitute the best way democracies can promote change in Cuba. He added that: We constantly urge our allies not to help the Cuban regime, until the regime initiates what Gelbard called: a democratic reform that has the Bush administration's OK.

How does what Gelbard said in Congress translate into practice? A short time ago, I illustrated an article on this matter with the reproduction of a document that the U.S. embassies had circulated in Europe with the intention of frustrating commercial negotiations and investments in Cuba. As I said back then, I got that message from colleagues from that area. I later learned about another memo in which U.S. diplomatic missions "strongly urges" [preceding two words in English]—which means to press strongly—Latin American and Caribbean governments in order to attain the same objectives as in Europe, a step in which they even go so far as to provide an address and telephone numbers in Washington that local businessmen should contact before formalizing any exchange with Cuba.

Along with this, as is being talked about in the journalistic circles of different capitals, the U.S. embassies consistently monitor sales of medicines and biotechnology products, sugar, and other Cuban exports, as well as the products received by the island in exchange, and whether or not Cuba benefited from preferential prices or was given special credits.

Even more light was thrown on the objective of this systematic worldwide inquiry in connection with Cuba when on 18 April Bush warned that the White House will support free trade agreements with area countries but under the condition that it will not accept loopholes that help the Castro regime. Furthermore, and with the same aims, U.S. representatives make meticulous inquiries into specific operations having to do with Cuba ranging from, among other things, possible purchases of oil, wheat, rice, bicycles, and patents to possible agreements having to do with tourism.

At the same time, Washington has expressed its concerns to governments in the region that have decided to establish trade relations with Cuba, and it pressures local businessmen to break their ties with Cuba. For example, a South American businessman who visited Havana told me that a company in his country that helps Cuba has been threatened by the U.S. Embassy. It has been told that either it stops its transactions with Cuba or the United States will stop shipments to the firm of raw materials necessary for the firm's production. A short time ago, U.S. Secretary of Agriculture Edward Madigan said publicly that U.S. wheat sales to India were being reviewed because India was selling rice to Cuba.

Because of all I have set forth here, I said at the beginning that Bush's most recent statements regarding Cuba have to be considered basically as inseparable parts of a strategy, and not just a simple, passing, electoral message. This is the equivalent of saying that a world government, the one in Washington, is elevating to the level of official state policy its intention to eliminate by force the way of life that exists in a small neighboring nation, Cuba. It also means that in order to attain its goals, the White House is sparing no effort, taking measures which, as in the case of those planned with a view toward a virtual naval blockade, constitute the carrying out of an act of war in peacetime which is harmful to the interests of third countries and unpredictable with respect to the magnitude of the international conflict it could unleash.

Will the United Nations make a statement on this matter? Will the UN Security Council show, as regards these events, the same zeal it has shown in its judgments and agreements regarding events that it has felt have violated world order? Let us wait to, among other things, prove the validity of the old biblical message to the effect that by their acts ye shall know them.

Envoy on Proposal Against U.S. at UNSC

PA3004044792 Havana Radio Havana Cuba in Spanish 0000 GMT 30 Apr 92

[Telephone interview with Ricardo Alarcon de Quesada, ambassador to the United Nations, in New York by Julio Dominguez in Havana on—live or recorded]

[Text] [Dominguez] Here on the telephone is Ricardo Alarcon de Quesada, Cuba's ambassador to the United Nations. Mr. Ambasador, I would like you to explain more about this topic.

[Alarcon] Just as you said, we are asking for a meeting of the UN Security Council to analyze and make decisions regarding the terrorist actions that are being conducted from U.S. territory against Cuba. These actions are well-known. There have been recent cases of people captured in Cuba who were trained, prepared, armed, and received the necessary resources in the United States and then left for Cuba from the United States. Besides that, the United States has publicly acknowledged and shouted about it.

It was disclosed in a Senate hearing that after escaping from a jail in Venezuela, Posada Carriles began to work a few weeks later as the man in charge of clandestine gun running operations for the contras from San Salvador to Nicaragua. That means he was not just protected by the CIA but working for it, under the direct orders of Oliver North, who was none other than a member of the National Security Council, a White House office.

The UN Security Council this year has made various decisions pledging to end international terrorism everywhere. It has made some decisions regarding Libya, alleging that Libya or some Lybians could have some ties with two acts of sabotage on two airplanes, one being the Pan American flight and the other the French company UTA's flight, which blew up over Africa. There is a third flight that was blown up in Cuba. It would be totally immoral if the UN Security Council did not adopt similar actions in our case, especially as Orlando Bosch and Posada Carriles—who have a long history of terrorist actions spanning over several decades—have not only received the exemplary punishment they deserved for their horrendous sabotage of the Cuban airplane but are also publicly and visibly linked to the U.S. Government. The U.S. Government has protected them for the past 15 years so the arm of justice does not reach them. We think this is such an obvious case that it is basic that the Security Council should act on the matter. It was basic as far as Cuba was concerned to present the complaint and make the proposal to force the Security Council to give signs of how far it is willing to stick to its own words. Otherwise, its actions regarding the Libyan airplane, or the airplane linked to Libya or allegedly linked to Libya, constitutes a selective use or manipulation of international morals.

[Dominguez] Have you already received a response from the Security Council.

[Alarcon] The Council president told the other members about my request so they can hold consultations with their capitals. A few days from now I expect to receive reaction from the members. As far as we are concerned, we are waiting with total calm. The ball is in the court of the Council members. It will be up to them to show how far they will adhere to their stances. As far as we are concerned, while the Council is not in session, we have other means to divulge our reasons and denounce the atrocities committed against Cuba. Nobody can doubt the news media, UN delegations, all the [words indistinct] reacted with great interest to this proposal. They have come to us or we have gone to them to explain and give them more details on this situation and all the background information.

Meets With Nonaligned Members

FL3004120892 Havana Radio Rebelde Network in Spanish 2300 GMT 30 Apr 92

[Text] Cuban Ambassador to the United Nations Ricardo Alarcon de Quesada gave details to nonaligned members of the UN Security Council on some of the terrorist attacks committed by the United States against Cuba. In this regard, Alarcon referred specifically to the terrorist attack that two agents of the Central Intelligence Agency [CIA], Orlando Bosch and Luis Posada Carriles, carried out in Barbados against a Cuban passenger plane in 1976.

The government of our country has requested a meeting of the UN Security Council to examine the terrorist attacks carried out by the different U.S. Administrations against Cuba during the last three decades. Furthermore, Cuba has asked for the extradition of two men guilty of

destroying the civilian Cuban airplane with 73 passengers aboard while in the air over the coast of Barbados.

At the conclusion of the informal meeting that Alarcon held on 29 April with representatives of the nonaligned countries that are members of the UN Security Council, a diplomat of that group said to PRENSA LATINA: Washington will now have to make up excuses to demonstrate that it has nothing to do with the two men accused of the crime in Barbados, who are internationally known CIA agents.

Castro Attends End of Potato Harvest Ceremony

FL2904234192 Havana Cuba Vision Network in Spanish 2220 GMT 29 Apr 92

[Text] Commander in Chief Fidel Castro is closing the ceremony at the Smile of Victory Camp of the Guira de Melena Miscellaneous Crops Enterprise with a speech marking the end of the potato harvest in Havana Province. Prior to Fidel's speech, banners and certificates were presented to agricultural units, mobilized workers, cooperative farmers, and contingents that helped plant and harvest potatoes in large areas of the province, demonstrating great effort in this year's potato campaign.

The president of the Council of State and Ministers presented awards to Artemiza, Alquizar, and Batabano enterprises, among others. He also presented awards to mobilized members of the Union of Young Communists, the Cuban Workers Federation, the Revolutionary Armed Forces, the Youth Labor Army, mass youth organizations, and particularly to Guira de Melena, which turned out to be the best all-around municipality of the potato harvest.

Sancti Spiritus Exercise 'Highly Satisfactory'

FL3004022392 Havana Cuba Vision Network in Spanish 2220 GMT 29 Apr 92

[Text] The Cleansing-1 [Saneamiento-1) Exercise of the Unified Vigilance and Protection System held in Sancti Spiritus has yielded highly satisfactory results. The control and adoption of measures against violators of the Identification Card and Population Registration System, as well as an intensification of efforts to locate and [word indistinct] controlled items, were among the main objectives of the exercise.

Jorge Valdez Rodriguez, first secretary of the Communist Party of Cuba in Sancti Spiritus, stressed the need to continue to intensify efforts to eradicate the causes and conditions which foster crime.

A highway roadblock operation [Operation Via en la Autopista] was part of the exercise characterized by actual operations. The roadblock made it possible to detect anyone transporting illegal items which were to be sold on the black—or underground—market at elevated prices, taking advantage of an increase in demand due to special period conditions.

SRV Sugar Refinery To Employ Cuban Technology

FL2904175392 Havana Radio Rebelde Network in Spanish 1700 GMT 29 Apr 92

[Text] A sugar refinery that employs Cuban technology will be inaugurated tomorrow in the SRV. This refinery, located on (Sui Gon Truon) farm, can grind approximately 50,000 arrobas of cane per day.

Government, French Firm Agree to Joint Venture

PA2904231592 Paris AFP in Spanish 1606 GMT 29 Apr 92

[Text] Havana, 29 Apr (AFP)—The French firm Geophysics General Company (CGG) has announced to AFP that the company and the state-owned enterprise CUPET (Cuba Petroleum) [Cuba Petroleo] have signed, in Havana, a joint venture agreement for the French firm to provide oil exploration services.

The CGG established offices in Cuba within the framework of the oil prospecting operations that began over a year ago off the coast of Varadero, 130 km east of Havana, by the French company Total.

The new Cuban-French plans to offer its services to foreign companies that have signed oil exploration agreements with Cuba, such as Northwest Canadian or the Swedish company Taurus, and eventually the Brazilian company Petrobras [Brazilian Petroleum Corporation], which is currently negotiating.

The venture will have qualified personnel and specialized laboratories for seismic and geologic evaluations, provided by the CGG, and logistics and material resources from the CUPET.

Haiti

Tripartite Meeting Begins in Camera 29 Apr

FL2904194492 Port-au-Prince Radio Metropole in French 1600 GMT 29 Apr 92

[Text] The summit on the national political crisis that includes the Army, parliament, and the executive began shortly after 1500 GMT this morning. The meeting is being held in camera. Journalists are not permitted in the meeting room.

Provisional President Joseph Nerette, Prime Minister Jean-Jacques Honorat, ministers of the provisional government, notably those from Information and Foreign Affairs, comprise the government delegation. Army Commander in Chief General Raoul Cedras, Gen. Biamby, and Gen. Duperval represent the Haitian Armed Forces.

Senate President Dejean Belizaire and president of the Chamber of Deputies, Alexandre Medard, are leading the parliamentary delegation of 10. Senator Dupiton is attending the meeting as an observer. Bishop Kebreau appeared briefly as the meeting opened. The presence of

attorney Constantin Mayard-Paul was also noted, but he refused to make any statements.

Information Minister Expects Solution

FL2904231492 Port-au-Prince Radio Metropole in French 1600 GMT 29 Apr 92

[Interview with Information Minister Gerard Bissainte by Rothschild Francois, place and date not given—recorded]

[Text] The minister of information of the Provisional Government expects a national agreement to emerge from the summit in Villa D'Acceuil. Gerard Bissainte thinks the fact that the Army, parliament, and government are meeting around the same table, represents a significant step. Minister Bissainte pointed out that the position of the government on the Washington agreement has not changed. It is clear, he said, that this document cannot be considered the solution, given the decision of the Court of Cassation.

[Begin recording] [Bissainte] The three parties are meeting to find a solution. There is the possibility that the solution might be found on Thursday night, or it might not be reached at all yet. I think that if it is not found, the possibility of resuming discussions should remain open.

[Francois] Does the government already have a position about this meeting to be held on Wednesday and Thursday in Port-au-Prince?

[Bissainte] To a point. I would say that if the government already has a position, it would represent a lack of flexibility, somewhat. It would mean that we are stuck, blocked. We must not be blocked. The government must be very flexible on the entire situation, but as I said before, the government is open. When someone is open, it means that the door is open even to the limit. There are several doors open. Right now, many doors are open. We are waiting for our interlocutors to go through these various open doors.

[Francois] Does that mean that the government will not discuss the Washington agreement?

[Bissainte] Well, obviously, if the Washington agreement is sent around the table, the government will be forced to give its opinion on it. But its viewpoint is already known.

[Francois] Minister, what can one expect, what do you expect from the government regarding this summit?

[Bissainte] I am waiting for us to understand one another first, to find a common solution. I must say what I most expect, what I wish. Allow me to introduce a viewpoint I have held for a long time, even if right now I am also presenting the government's viewpoint. I have supported the viewpoint that we must reach what I call a nation in camera. We must fight to solve our problems among ourselves. What I like about what is going on now is that everything is happening among Haitians. It is not taking place in Washington or Cartagena or beyond our territories. It is taking place in Haiti with three important Haitian institutions. I think it is great! [end recording].

Senator Interviewed on Disclaimer Declaration

FL2904201992 Port-au-Prince Radio Metropole in French 1100 GMT 29 Apr 92

[Italicized passages in Creole]

[Text] At the Villa d'Accueil summit, the Senate of the Republic voted last evening for a declaration denying the selection of any prime minister designated prior to the opening of the tripartite meeting. This occurred during a session dominated by 15 senators of the Parliamentary Cohesion, a faction reportedly hostile to the Washington agreement. The senators approved the resolution that disqualifies any prime minister appointed before the tripartite meeting. In the opinion of Senator Julio Larosiliere, this declaration will make the task easier for the parliamentary delegaton at the Villa d'Accueil summit that will begin in less than three hours. Let us listen to the explanations of Sen. Julio Larosiliere in response to questions from Clarens Renois.

[Begin recording] [Larosiliere] Well, I must tell you, Clarens, that it was voted unanimously. The Senate declared that it is not linked to any name, to any political personality, or other proposed or appointed prime minister. *So, no matter what comes out, we have no problem. Do you understand?* But as I told you, it was a unanimous vote.

[Renois] Do you mean that even the National Front for Change and Democracy [FNCD] parliamentary bloc voted for it?

[Larosiliere] *I did not check to see who was present, whether there were FNCD senators or not.* But I saw senators voting.

[Renois] You say unanimously. This means that all the senators present voted?

[Larosiliere] Yes, all the senators present.

[Renois] All right, Senator Larosiliere, does that mean that you automatically reject the Washington agreement as well, because it clearly stipulates Theodore as the prime minister-designate?

[Larosiliere] I did not reject the agreement protocol. That was a Court of Cassation verdict. But, simply....in fact, Clarens, the articles of the Washington agreement can still be used in a document that allows us to disentangle the crisis.

[Renois] You say the prime minister jointly chosen by Aristide and parliament is out of the question.

[Larosiliere] I did not personally say that. The Senate has denied linkage with any name. Do you understand? It is a way to make the work of the tripartite committee easier when it meets tomorrow at the Villa d'Accueil.

[Renois] Are you then going to work on the basis of the Washington agreement?

[Larosiliere] You must wait, Clarens, because I can say nothing. I have no authority to make such statements. [end recording]

Day of Protest Lacks Support in Capital

FL3004115592 Bonaire Trans World Radio in English 1130 GMT 30 Apr 92

[Excerpt] Haiti's Provisional Government has held the first of two days of closed door meetings in an attempt to resolve the country's political crisis. An agreement providing for the return of ousted President Jean-Bertrand Aristide is opposed by interim officials but backed by the OAS. The Haitian Supreme Court prevented parliament from enacting the accord, calling it unconstitutional. Several political parties are calling on the Provisional Government to resign. However, an expected protest against the government which called on Haitians to honk car horns and bang on electric poles did not gather much support in downtown areas of the capital. [passage omitted]

El Salvador

Gen Vargas Discusses Agreements, Overflights

PA3004034492 San Salvador Canal Seis Television in Spanish 0200 GMT 29 Apr 92

[Report by Jose Luis Magana]

[Text] General Mauricio Ernesto Vargas, deputy chief of staff, has assessed the agreements that have been kept to date within the framework of the peace process. The high-ranking officer will travel in a few days to New York to inform UN Secretary General Butrus Butrus Ghali about compliance with the agreements.

In order to justify the delay in complying with the peace agreements, a government delegation will fly to the United Nations soon. Gen. Vargas, who is a member of the mission, said UN Secretary General Ghali will be asked to mediate to expedite compliance with the timetable.

[Begin Vargas recording] We want to find ways to deal with the problems within the framework of the peace agreements and to state how we regard the process right now. [end recording]

According to the military chief, the agreements establish 64 actions that must be taken: 45 have been met, two have not, 17 have been delayed, and [words indistinct] by the National Commission for the Consolidation of Peace. Along the way, there have been mutual recriminations of noncompliance. The Farabundo Marti National Liberation Front [FMLN] delayed gathering its forces in four places as a protest because the government has still not purged the Treasury Police and National Guard.

[Begin Vargas recording] Adopting insolent stances, or adopting stances of provocation, is wholly unacceptable. [end recording]

Gen. Vargas said the government plans to reduce the members of the security corps from 10,000 to just 1,000; the corps will be comprised of the border guard and military police. Commenting on the FMLN charge that Air Force airplanes flew over zones where the guerrillas have gathered, the officer said the rebels want to make false accusations to hide their own noncompliance.

[Begin Vargas recording] The United Nations can establish that at that moment, at that time, and on that day, A-37 airplanes did not take off. There are only two landing strips in this country, in Comalapa and Ilopango, where the A-37 airplanes are and from where they can take off. There is no other place in the country with landing strips appropriate for those airplanes [end recording]

Gen. Vargas said the FMLN ought to change its propaganda strategy, adhere to specific facts, and comply with the agreements without subterfuge.

Guatemala

Report on Serrano's National Address 26 Apr

PA2904155792 Guatemala City PRENSA LIBRE in Spanish 27 Apr 92 p 8

[Text] On 26 April President Jorge Serrano Elias addressed the nation over a national radio and television network.

In his speech, the president voiced his faith in the future and his satisfaction over having reduced the inflation rate from 64 percent to 9 percent, something no other Latin American country has achieved, he pointed out. He said he was pleased with the laws that have been approved for modernizing the tax system, as this will allow the value added tax to be paid as such and will not encourage merchants not to give bills and receipts as a way to evade taxes.

"The law now guarantees that the money that is collected actually gets to the national treasury and can later be invested adequately in projects to benefit the country," the president said.

He added that most of the money raised by the sale of bonds has been invested in public works to benefit the community. He emphasized that his government does not share the idea of continuously announcing over television and radio everything it does, because Guatemalans can very well see the progress made when they ride along the country's highways.

"You are witnessing municipal works whenever you walk; you can observe the streets being repaired, the construction of buildings, the improvements to water works, and improvements to and construction of schools. The municipalities are working with the funds we have been giving them. That money is the result of a policy of austerity, a coherent policy of my government that I have carried out," he pointed out.

He said he was concerned over increased security in the country and the state of law. His government, he said, will never violate the law, because anyone who violates the law is arrested and turned over to the courts to be tried.

"I know we are not perfect and that many of the things that are happening are completely out of the control of my government, my ministers, and myself. Whenever errors are made, we have acted directly and quickly to punish the responsible persons, for a very simple reason: If one individual goes unpunished, this impunity will stimulate others to commit more crimes," he pointed out.

"Observance of the law restricts us from committing abuses; we want the law and we do not want abuses. As everyone outside Guatemala has begun to admit, this government abides by the law. It does not violate human rights. It is very difficult because things are done

according to the law. Many times the law is weak, the institutions are weak, and corruption has corroded the institutions," he added.

The president was emphatic when he said that the Hunapu Task Force was created because the Guatemalan people needed it, because crime was widespread and the people were desperate.

"Guatemala needs to have security it can trust. We are going to provide that security. Naturally, things are easier in a dictatorship because the law does not prevail but the will of the head of state. We have to abide by the law. You see how we are insulted. We have to reply with the law, with conviction, with the word, and with whatever we can do best and with what democracy allows us."

The president said he had asked the guerrillas to communicate to him, in a 30-day period, what they really want, as a way to find a solution to the conflict. Despite this request, Serrano said, he received no reply. Under such circumstances, neither the government nor its president can respond to any concrete petition that is made.

"Behind all of this is their intent to prolong the conflict. We do not know what they really want. It is possible they have made fighting a way of life or maybe they need to continue fighting in order to justify their existence in countries such as ours. It is also possible that what they are really after is to obtain more resources, and that is why they are willing to perpetuate the conflict."

The Guatemalan president called for the people's assistance in reporting all instances of corruption. These must be reliable reports, so the appropriate measures can be taken.

President Serrano concluded by saying "I ask for your assistance in solving this problem. We are tired of this issue and would like to find some solutions. I am not the type of person who is going to try to hide the obvious facts. I am willing to acknowledge all problems that really exist. I plan to deal with them. To do this I need the support and understanding of each one of you. We all agree that Guatemala deserves a better future. We can all build it together."

Serrano on Bombing of Bank, Student Protests

PA2904233792 Guatemala City Teleonce Television in Spanish 1800 GMT 29 Apr 92

[News conference by President Jorge Serrano with unidentified reporters at the National Agrarian Reform Institute on 29 April—recorded]

[Excerpts] [Serrano] The bombing of the National Housing Bank is a despicable and unfortunate act because it is a terrorist action that the people of Guatemala condemn and repudiate. We are trying to solve the housing problem. We received a National Housing Bank with a debt of over 200 million quetzales. We are trying to overcome this situation. We are creating a special housing fund to meet housing needs throughout the country. This terrorist action is most despicable and sad.

[Reporter] Mr. President, do you have any idea of its source?

[Serrano] I do not have any information yet. [passage omitted]

[Reporter] What is your opinion on the disturbances caused by students?

[Serrano] They are criminal offenses which we will deal with according to the law. It is not at all acceptable for any person to go out to the street and endanger the lives of his fellow Guatemalans. We are telling all mid-level students to refrain from doing these things. Their role is that of going to school and working, but never that of becoming street criminals. We are also asking the parents of all these students to advise, sincerely and vigorously, their children against doing this. Some of these students have been taken into custody. We will not ease up. Law is law. If they want to behave as criminals, they will be treated as such. I fully support the measures taken by the minister of education, a lady of a high quality who has concerned herself with education. The rioters have no right to disturb peace. We will also demand responsibility from parents. The parents of those students found responsible for the damage will have to reimburse the government. All of this is according to the law. There will be no arbitrary measures. Do not let anyone think, however, that because we will act in accordance with the law, we will be weak. We will act strongly but with strict adherence to the law. [passage omitted]

Bank Bombed; 24 Injured

PA3004003692 Guatemala City LA HORA in Spanish 29 Apr 92 p 2

[Excerpt] A bomb, apparently made of TNT, exploded on the morning of 29 April in one of the main entrances of the "Mini" building on 6th Avenue, between 24th and 25th Streets of Zone 4, leaving 24 persons injured. Many persons were suffering symptoms of nervous shock, while others were slightly injured, causing the mobilization of many policemen and firemen.

The explosion occurred at 0900, when over 300 employees were inside, including personnel of the National Housing Bank (BANVI), Port Enterprise, and the Granai and Townson Bank.

The bomb was placed in a garbage can located at the side of an elevator. Nobody knew there was a bomb, despite the fact that this building—and the building in Zone 4 that houses the BANVI central office—were inspected on 28 April by National Police authorities and the institution's security personnel because of a bomb threat, a threat that became real on 29 April.

The bomb, according to experts, was set off by a time mechanism, causing considerable damage to the building and to the doors of two elevators, which were ripped off

of their hinges. Many windows were broken, and people panicked trying to reach the stairs to leave the building. [passage omitted]

Bomb Explodes in Embassy

PA2904221492 Panama City ACAN in Spanish 2142 GMT 29 Apr 92

[Text] Guatemala City, 29 Apr (ACAN - EFE)—At least six persons were injured when a high-powered bomb exploded on 29 April in a building that houses the Costa Rican Embassy in the Guatemalan capital, police and fire department sources have reported.

The bomb was planted in the first floor of the 10-floor Galerias Reforma building, according to Amarildo Herrera, spokesperson for the Guatemalan fire department.

The high-powered bomb shattered the windows of nearby offices and establishments and is the second explosion to occur in the Guatemalan capital today.

At least 24 persons were injured, some seriously, on the morning of 29 April when a bomb exploded in a state bank office.

Army Finds Bomb Factory

PA2904185192 Panama City ACAN in Spanish 1601 GMT 25 Apr 92

[Text] Guatemala City, 25 Apr (ACAN-EFE)—Military sources reported on 25 April that the Guatemalan Army dismantled a clandestine guerrilla bomb factory and found three arms caches in northern Quiche Department.

The Army's information office told the press that "it is the largest terrorist weapons factory" ever seized from the Guatemalan National Revolutionary Unity (URNG), located in the Tierra Colorada community in Quiche Department.

The Armed Forces said that the confiscated materiel included 80 kg of paraffin, 5 lbs of gunpowder, three iron-cutting machines, 25 gallons of gasoline, eight landmine molds, and glue.

In addition to the landmines, there were "milky way" bombs, capable of destroying trucks and houses and containing poisoned shrapnel. "The outer walls of the mines are covered with poison and filled with pieces of iron shrapnel," the military report emphasizes. ' These explosives are forbidden by the Geneva Agreement on Human Rights," said Defense Minister General Jose Domingo Garcia.

Cesar Alvarez Guadamuz, deputy ombudsman for human rights cases, described the guerrilla weapons as "dangerous and inhumane."

Guatemala is the only Central American country that still has a domestic armed conflict. According to international organizations, over 150,000 dead, 45,000 people missing, and one million displaced have resulted from this conflict.

An official spokesman said today that the bomb attacks and threats over the past few days in Guatemala City "are intended to cause instability, generate an artificial atmosphere of terror, and affect order." On 23 April, five state office workers were wounded by a bomb explosion; police experts defused another bomb near the Guatemalan Telecommunications Enterprise.

No clandestine organization has yet claimed responsibility for placing the bombs or making threats.

Student Protestors Arrested

PA2904224492 Guatemala City Teleonce Television in Spanish 1800 GMT 29 Apr 92

[Text] More clashes between government security forces and public high school students took place in the vicinity of the Normal School for Men [Escuela Normal para Varones] in Zone 13 of Guatemala City on 29 April.

A street clash between the Normal School students and riot police ended with 72 people arrested in the capital. The disorders began at 1100 in front of the Normal School building, when a group of students took to the streets to protest in support of the Central Institute [Instituto Central] and in response to the incidents that took place on 27 April when other students were arrested.

The demonstration was staged by the Normal School students to demand additional professors for the institute. They are also protesting the high cost of living.

At 1115, several students were arrested by a National Police unit near the school, which only angered their fellow students who began protesting with greater intensity. At 1140, the riot police arrived. The police took positions in front of the students. Clashes between the students and the riot police began minutes later. Stones, sticks, and tear gas were exchanged. Minutes later, the police were able to open the school doors and proceeded to bring handcuffed students inside.

Court, Riot Police Evict Over 1,500 Squatters

PA3004034592 Guatemala City PRENSA LIBRE in Spanish 28 Apr 92 p 4

[Article by Mari Reyes Barrios]

[Text] A group of 1,500 families, who a few weeks ago took over some land near the Cuatro de Febrero neighborhood in Zone 7 near the market place, were evicted on 27 April by members of the riot police who were following orders originating from a resolution made by the first district court.

The eviction took place at 0930 after Fernando Garcia, delegate of the Human Rights Office, talked to the squatters and urged them to dismantle their belongings and leave the area. As the squatters refused to leave, Judge Carmen Ellgutter gave the order for eviction. When the riot police began to tear down the huts, there were some disturbances, but the authorities controlled them.

Hundreds of squatters went to the Main Plaza to request President Jorge Serrano Elias do something. Before entering the National Palace with Honduran President Rafael Leonardo Callejas, Serrano spoke with the demonstrators in the plaza and asked them to remain calm. President Serrano told the squatters that 60 million quetzals are available and will be allotted to the Housing Fund to help solve the housing deficit. He added that the situation of the homeless is being evaluated, but this is something that cannot be solved overnight. President Serrano also said the Housing Bank loses 200 million quetzals every year, something inherited from the previous administration.

Government Resumes Civilian Patrols in South

PA2904165192 Guatemala City Teleonce Television in Spanish 0400 GMT 28 Apr 92

[Text] Defense Minister General Jose Domingo Garcia Samayoa announced that approximately 1,500 members of the Civilian Self-Defense Patrols [PAC] will be outfitted with modern weapons to fight guerrillas in southern Guatemala, including the area where an ambush against a military unit took place on 26 April.

[Begin recording] [Garcia] We are going to reactivate the PAC volunteer committees along the coast and where terrorist delinquents have been harassing and attacking defenseless civilians, assaulting people on the highways, and creating an atmosphere of chaos and lack of security.

[Unidentified reporter] Does this mean the country will be militarized?

[Garcia] Absolutely not. The country is not militarized, it is being subjected to abusive, hostile, and criminal attacks by guerrillas. We have the obligation and duty to defend the population but not to militarize the country.

[Reporter] Often the PAC committees have been accused of violating human rights. Does the Army feel that arming them may create more controversy?

[Garcia] The guerrillas accuse the PAC of violating human rights as a way to mask their crimes. The guerrillas are the real human rights violators. I have given orders to mobilize whatever units are necessary to the area where the guerrillas cowardly murdered a Guatemalan Army officer and specialist. We are going to work hard, we are going to use a strong military hand against these guerrillas. They know that, although the Guatemalan Army is willing to hold a dialogue, it will fully carry out its duty.

[Reporter] Will the guerrillas be wiped-out militarily if they do not respond to the dialogue?

[Garcia] I have not said anything about wiping them out. We are going to continue to defend Guatemala militarily and we are going to hold a political dialogue.

[Reporter] How many patrolmen make up the PAC?

[Garcia] We have enough patrolmen throughout the country. Here we will mobilize approximately 1,500 to 2,000.

[Reporter] How will they be mobilized?

[Garcia] We are going to arm them.

[Reporter] What sort of arms?

[Garcia] Modern ones. [end recording]

Defense Minister Denies Military Link to Drugs

PA2904192592 Guatemala City PRENSA LIBRE in Spanish 28 Apr 92 p 2

[Text] Defense Minister General Jose Domingo Samayoa said that the reports published locally, accusing members of the Armed Forces of being involved in drug trafficking, are false.

"The information published in the article is ridiculous. We are working with the DEA, therefore it is impossible for us to be involved in such things," the high military officer added.

Gen. Samayoa claims that the Armed Forces contacted the DEA agents, who said they had no knowledge of any of their members giving out such information. He said: "We have taken action to clear up the matter by requesting that the newspaper identify the source of the information."

Meanwhile Frigate Captain Julio Alberto Yon River, director of the Information and Press Department of the Army, sent a letter to Pedro Julio Garcia, our [PRENSA LIBRE] director and general manager, which states in part: "The Guatemalan Armed Forces categorically deny the information published by your prestigious newspaper. It is completely false.

It is certainly incredible that an attempt exists to link the Guatemalan Armed Forces to this crime, since the military works very closely with the DEA. The accusation that appears in your newspaper, although vague and without a solid foundation, mentions the Armed Forces. An investigation will be ordered to clear up this matter."

Capt. Yon concluded: "The Guatemalan Armed Forces, respectful of the truth, deny the unfounded newspaper article. The military not only respects the laws but must also comply with them, and see that they are complied with."

Meanwhile, Gen Samayoa says that over 2,000 people who once belonged to the civilian defense committees will join them again, in response to insurgent attacks throughout the nation.

"The gentlemen of the insurgency are the ones who violate human rights, so we are going to strengthen the firm hand of justice. The members of the civilian defense committee will be given weapons," Samayoa said.

The general said that when the civil defense committees on the southern coast were dissolved, the insurgents mobilized in such a way as to give the impression that they are everywhere.

Nicaragua

Politicians Predict Dissolution of UNO Coalition

PA2904191892 Managua LA PRENSA in Spanish 25 Apr 92 pp 1, 12

[Report by Felix Navarrete]

[Text] Two years after President Chamorro took office, it is obvious that the UNO [National Opposition Union], the coalition of parties that supported Violeta Chamorro's candidacy, is experiencing internal changes and is facing new challenges.

As a result of the decision by a group of UNO parties to seek consensus with the executive branch to stabilize Nicaragua, there are signs of an imminent dissolution of the electoral coalition and the emergence of new alliances.

From remarks by some leaders of the UNO parties, it is apparent that the recent threats by Nicaraguan Vice President Virgilio Godoy to withdraw from the UNO do not seem to worry them. These leaders share the view that the UNO is about to undergo a period of redefinition and new alliances.

Several UNO deputies interviewed by this newspaper predicted that this coalition will not remain united. Their main argument is that the UNO's unity basically arose from specific circumstances.

They also forecast that the UNO will dissolve during the elections for the Central American Parliament (Parlacen).

National Assembly President Alfredo Cesar confirmed to LA PRENSA that the withdrawal of some parties from the UNO is being discussed, but that there is nothing definite yet.

Cesar avoided confirming or denying that his party, the Social Democratic Party (PSD), is one of the four parties discussing whether to openly declare themselves opponents of President Chamorro's government.

"Some parties have brought up the possibility of moving to the opposition," Cesar disclosed. However, he said this has yet to be decided. The National Assembly president was evasive and preferred not to make any categorical statement regarding the coalition's future.

Referring to UNO's current situation, Frank Duarte, vice president of the Conservative National Action (ANC), said that "for months, UNO has just been an acronym."

The conservative deputy disclosed there are currently "quite opposite" positions in the UNO and he predicted it is unlikely that the coalition will remain united for the Parlacen elections to be held in November 1993.

Luis Humberto Guzman, president of the Popular Social Christian Party (PPSC), has proposed that the 14 UNO parties begin working on regrouping under their respective ideological origins.

Guzman stated that the 1990 elections left out seven political parties, and that although it is true the UNO is a coalition that emerged with a group spirit, the parties forming it are acting without the unity that should exist.

UNO Parties Demand President Keep Promises

PA2904220492 Managua LA PRENSA in Spanish 26 Apr 92 p 5

[Letter to President Violeta de Chamorro from eight parties of the National Opposition Union, UNO, dated in Managua on 25 April; published as a paid advertisement]

[Text] Your Excellency President Violeta B. de Chamorro

Madame President:

The undersigned political parties, which are members of the electoral alliance that elected you president in the 25 February 1990 elections, again publicly address you on the occasion of the second anniversary of the inauguration of the new government. We want to insist on the total fulfillment of the commitments made to the Nicaraguan people to establish a state of law and to consolidate and develop a real democratic system in our country.

In our previous public letter on 29 March—which you did not answer—we expressed our deep concern over the statements by your minister of the presidency [Antonio Lacayo] who identified your administration as the continuation of the Sandinist totalitarian regime.

Today we want to remind you that in view of the people's clamor for a change in the high-ranking military commanders, you stated in your inauguration speech on 25 April 1990 that you had ordered General Humberto Ortega to remain in his post of Army commander "while the already agreed upon demobilization of the [National] Resistance forces and the Military Service youths is completed and the weapons held by civilians are recovered." According to the government, these tasks have been practically fulfilled. Nevertheless, Gen. Ortega is more entrenched in his post of Army commander in

chief because according to Decree Law 2-91 on reforms to the Military Organization Law, which you issued on 8 January 1991, that post can only be held by Gen. Ortega. This is so because the post is to be filled by the highest ranking officer at the proposal of the Military Council. With this decree, you permanently confirmed Gen. Ortega as commander in chief of the Army.

Permit us to also remind you of your promise to our representatives in the National Assembly about appointing a civilian as defense minister to make the Army subordinate to civilian authority. You made this promise when you asked our representatives to accept your veto of the reforms approved by the National Assembly to reduce the military budget in the 1991 budget.

As with many others, that promise has also not been kept.

Madam President: Our people continue to wait for the changes they voted for on 25 February 1990. They voted for changes in the structures of the Armed Forces and the police to guarantee respect for human rights and the reign of law, order, and justice, which today continue to be violated with impunity in our country by Sandinist front mobs and activists.

Even though the economic plans implemented with foreign aid have been able to control inflation and stabilize our currency, two years after your government took office, the recovery and the development of the national economy and the solution of the country's overall crisis are not in any way foreseen because juridical security and social stability have not been reestablished. Those conditions are essential for productive work, the investment of both national and foreign capital, and for the normal flow of aid that friendly governments and international organizations have promised our country.

Permit us to appeal to your patriotism and goodwill to try to prevent greater ills to the country by having your administration take the path of real peace without submission and the path of authentic national reconciliation based on justice and law.

Respectfully yours, [Signature indistinct] National Conservative Party

[Signature indistinct] Social Democratic Party

[Signature indistinct] National Democratic Confidence Party

[Signature indistinct] Conservative National Action

[Signature indistinct] Neo-Liberal Party (PALI)

[Signature indistinct] Liberal Constitutionalist Party

Myriam Arguello M. Conservative Popular Alliance

Luisa del Carmen Larios Popular Social Christian Party

Editorial on First 2 Years of Chamorro Government

PA2904225092 Managua Radio Nicaragua Network in Spanish 1100 GMT 25 Apr 92

[Station editorial]

[Text] Today it has been two years since a woman assumed power in Nicaragua for the first time. This happened during a time when there was a disastrous economic crisis, there were rebel armed movements in the mountains, there was a division in Nicaraguan families, there was an army of more than 90,000 men, and there was—among other things—an enormous foreign debt that has been estimated at over $11 billion.

Mrs. Violeta Barrios de Chamorro took over the Presidency of Nicaragua with much courage, considering it a challenge. She did this after having won the general elections two months before. She took over a country that was bleeding from a war, a country that was truly divided into two opposing sides. It was a country that, at that time, did not yet understand the changes that the red and white government was proposing. What happened is that the project for national reconciliation was much more profound and important than what we had been able to imagine.

Despite all the predictions made by this government's adversaries—persons who said this government would not function—the government was able to end the war, reduce the Army substantially, stop galloping inflation, and create an awareness in the nation's population that the challenge to pull the country out of social stagnation is everyone's responsibility. Now the country is ready to begin its economic takeoff.

Nicaraguan perspectives were still gloomy when, on the morning of 25 April 1990, we were able to observe two opposing sides in the grandstands of the National Stadium. At that time, we saw them yelling out their respective slogans and jeering at leaders from opposing parties. It was logical to see that a country that had just come out of a 10-year war—a country that had a disastrous economy—had nothing good to offer its citizens, except tenacity and work.

Now that two years have passed, we are talking about reconciliation. We have reached concerted socioeconomic agreements and have demobilized persons from the Nicaraguan Resistance and from the Army and jointly discussed their problems and their rights. Politicians from the National Opposition Union and from the Sandinist National Liberation Front reached agreements at the National Assembly to look for a better understanding. Different social sectors, with a clear idea of the need to forge ahead, support the government's economic reforms. Little by little, we are starting to become Nicaraguans.

Never before had any other Nicaraguan Government ever allowed as many liberties as we have today. Nobody can deny the existence of a total freedom of expression,

a freedom to voice one's thoughts, and a right to move about and to organize freely. The radio waves of Nicaragua, for example, are growing with the creation of new stations and more programming. There is no rationing and—on the contrary—new supermarkets, food stores, and clothing stores have been opened. In addition, the Permanent Human Rights Commission of Nicaragua and the Government Ministry are instructing Nicaraguan policemen about the rights and obligations of citizens, and about respect for human rights. This was not done by any previous government.

However, what has heretofore been accomplished does not stop here. It does not stop because we are just setting down the foundations that will allow us to rebuild Nicaragua into the national project of the future. We have lost precious time for several decades. During those decades, we were immersed in hatred, power ambitions, and political persecution. Many people did not believe in the project mapped out by the government of Violeta Barrios de Chamorro. However, two years after she took office, we are still here. The beginning of a popular will [veredicto popular]—a will that came about because people were tired of hatred and of war and demanded changes in the Nicaraguan society—is a challenge, a difficult task. However, we are moving on.

Just as before, some people did not believe in concerted efforts, and the concerted efforts were successful; just as some people did not believe that demobilizing the Resistance and the Army was possible. Now we have armies of peasants who are dedicated to farming and making the land produce. Some did not believe that it was possible to stop hyperinflation, and now we have a very stable currency that is not subjected to devaluations everyday. That is how we will construct a better future for all. That is why it is possible to have another Nicaragua, a different Nicaragua. We are sure that with the help of all Nicaraguans—Nicaraguans who love peace and progress—this will indeed be possible.

Argentina

Di Tella: OAS Foresees 'Imperfect Solution'

PY2904183692 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 29 Apr 92

[Text] Foreign Minister Guido Di Tella has said that the OAS would resign itself to an imperfect solution for Peru, provided it produces the return of democracy.

The minister said Latin American countries do not want to attend a session that will set isolationist measures allegedly based on principles, because this would run the risk of resulting in a dictatorship in one or two years.

Meanwhile, the Peruvian Catholic Church demanded strong action to restore democracy in Peru. Peruvian bishops believe that the current situation can only favor terrorism and drug trafficking.

Lawsuits Filed Against Economy Minister, Deputy

PY2904182392 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 29 Apr 92

[Text] Federal Judge Luis Moreno Ocampo has filed lawsuits against Economy Minister Domingo Cavallo and Alberto Albamonte, Democratic Center Union Deputy for Buenos Aires. The charges against Cavallo and Albamonte are, respectively, tampering with evidence and aggravated coercion.

The lawsuit against Cavallo was filed with the office of Federal Judge Nestor Blondi, and the lawsuit against Albamonte was filed with the office of Federal Judge Miguel Pons.

Bolivia

Foreign Minister Maclean 'Regrets' Coup in Peru

PY2904213292 Madrid EFE in Spanish 1612 GMT 29 Apr 92

[Text] Sevilla (Spain), 29 Apr (EFE)—Bolivian Foreign Minister Ronald Maclean stated today that his government "regrets" the coup d'etat in Peru, although it "understands" that there is a "serious internal conflict" in that country.

Maclean, who visited the Expo-Sevilla 92 exhibition today, stated that Bolivia, as a member of the OAS, "respects events in other countries," and is willing to cooperate with Peru to reestablish democracy in that country.

Regarding the severance of diplomatic relations between Peru and Venezuela, Maclean said before a group of reporters that "we all understand" the decision adopted by Venezuela, referring to the situation created in that country after the recent attempted coup d'etat.

The minister announced that Bolivian Vice President Luis Ossio Sanjines will visit Sevilla to participate in the Bolivian independence day celebrations at the World Expo. He added that President Jaime Paz Zamora will visit the Expo-Sevilla 92 by the end of July.

The Bolivian foreign minister said that Spanish Prime Minister Felipe Gonzalez, with whom he met yesterday in Madrid, is "a fascinating man" with "a great perception" who "knows Bolivia very well."

Paz Zamora Makes Proposals at Drug Conference

PY2904184192 La Paz Radio Fides Network in Spanish 1100 GMT 29 Apr 92

[Excerpt] [passage omitted] During the inauguration of the 10th International Conference for Drug Control, President Jaime Paz Zamora proposed three basic proposals to be considered in future conferences: The inclusion of entrepreneurs in the fight against drugs; a discussion on the relationship between drug traffickers and cultural values; and the inclusion of the people in the fight against drug trafficking.

Paz Zamora publicly protested that coca was not allowed to be exhibited as a Bolivian cultural element at the Expo-Sevilla 92 exhibition in Spain. [passage omitted]

Agreement Signed With Chile

PY2904210092 Madrid EFE in Spanish 1755 GMT 29 Apr 92

[Text] La Paz, 29 Apr (EFE)—Bolivia and Chile have set the framework for a joint antidrug campaign by signing a "memorandum of understanding" at the 10th International Drug Enforcement Conference (IDEC).

Belisario Velasco, Chilean Interior Ministry under secretary, and Gonzalo Torrico, Bolivian social defense under secretary, signed the document on 28 April, in Santa Cruz, and asked their governments to quickly sign an agreement on the prevention, control, and suppression of illegal drugs.

Delegates from Chile and 40 other countries are attending the conference that opened yesterday in Santa Cruz, 903 km southeast of La Paz. It seeks to establish joint actions to control drug trafficking.

Chile and Bolivia share 975 km of common border. They suspended diplomatic relations 26 years ago, with the exception of three years (1975-78) during which they tried to solve the Bolivian landlock problem.

Several points along the border between the two countries have become important channels for smuggling chemicals from Chile for the preparation of cocaine paste and cocaine sulfate in Bolivia.

Chile has also become a transit country for world-wide drug trafficking, according to police officials.

Interpol Registers Foreigners To Halt Terrorism

PY2904130692 La Paz Television Boliviana Network in Spanish 1700 GMT 28 Apr 92

[Text] The International Police, Interpol, has begun registering foreign citizens living in Bolivia. According to national Interpol Chief Colonel German Pomier, all foreigners must register at Interpol offices in the next two months.

[Begin recording] [Pomier] Interpol offices are especially dedicated to the control of foreigners, particularly seeking to assist in this problem of terrorists who are concentrating in this country, which is in the heart of the continent. We are taking the precaution to register people. We want to know how many foreigners live in Bolivia and what they do, particularly those who come and work illegally. We want to find that out. The control of foreigners coming to the country will be conducted every year.

[Unidentified reporter] [Question indistinct]

[Pomier] Interpol, through police organizations, is always checking with radio patrols to ensure they have a permit or a receipt to prove that they registered at Interpol. This is at the national level. [end recording]

Four Generals Face Trial on Corruption Charges

PY2904152092 La Paz Radio Fides Network in Spanish 1100 GMT 29 Apr 92

[Excerpt] Four Army generals have been placed at the disposal of Bolivian military justice. They will be tried for apparent irregularities in the administration of the San Carlos cattle ranch in the Santa Cruz Department. The accusation followed the inexplicable loss of cattle from the ranch. This is the second case involving cattle ranches, the first being the case of the 23 March Camp in Beni Department.

According to Jatha News Agency, the case could very well represent a new corruption scandal in the Armed Forces.

The officers involved in the new case are Generals Emilio Lanza Armasa, National Security Council secretary; Jaime Columba Vedia; Walter Villaroel K.; and Franz Rositt Cisneros, commander of the 5th Army Division, which includes the San Carlos ranch in its jurisdiction. The Army General Command placed the four generals in category E, which in military jargon means that they are suspended from their positions and placed at the disposal of military courts. [passage omitted]

Minister Calls U.S. Tin Sale Talks 'Positive'

PY3004022492 La Paz Television Boliviana Network in Spanish 1700 GMT 29 Apr 92

[Excerpt] The Bolivian mining and metallurgy minister's trip to the United States, where he attended the investment for Latin America seminar and discussed the sale of tin reserves, has yielded positive results.

Mining and Metallurgy Minister Alvaro Rejas has reported that during the investment for Latin America seminar, Bolivia was chosen the most attractive country for investment in the field of mining. The minister was a member of the committee that reported on how the U.S. decision to sell its tin reserves would affect the price of the metal on the international market.

[Begin Rejas recording] A poll conducted among 280 of the delegates attending the seminar indicates that Bolivia is the most developed Latin American country in mining activities, and that Chile and Peru are second and third in this regard. This shows that Bolivia has a new image abroad.

It also clearly shows that whenever we negotiate our interests abroad, we seek the same goals to work in favor of our country and further opportunities to develop.

As contemplated in our agenda, we fulfilled two fundamental missions in Washington, and discussed, at all levels, the sale of five additional tonnes of tin from the U.S. Defense Logistics Agency stockpile. [passage omitted] [end recording]

Border Agreement With Chile Gains Territory

PY2904151292 La Paz Television Boliviana Network in Spanish 1100 GMT 29 Apr 92

[Excerpt] Bolivia and Chile decided to relocate border markers that were wrongly placed. Bolivia will recover a little more than 12 square kms with this arrangement.

The 19th plenary meeting of the Bolivia-Chile Joint Border Commission met for nine days in a totally cordial atmosphere.

[Begin unidentified Bolivian official recording] The result reflects the climate of understanding and mutual cooperation that happily prevailed during the sessions.

[Unidentified Chilean official] I feel the emotion and optimism of this group of Chilean and Bolivian representatives. We were able to resolve all pending problems affecting our long borders. [end recording]

During this important meeting, delegates agreed to jointly detail maps with the participation of the Bolivian and Chilean military geographic institutes. There was a conciliation of technical criteria, for instance, the case of Sillillica. Here the technical decision favored the Bolivian proposal; in the case of Capitan Hill the decision favored Chile; and in the case of Sicaya the commission decided on a compromise solution. All the

decisions are in strict compliance with the 1904 treaty and complementary protocols. [passage omitted]

Brazil

Minister Reports End of U.S. Trade Sanctions

PY3004130692 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 29 Apr 92

[Text] Economy Minister Marcilio Marques Moreira met U.S. Trade Representative Carla Hills in Washington. The minister said the United States will no longer implement trade sanctions against Brazil.

After meeting Hills, the economy minister held a news conference at the Brazilian Embassy. He praised the Senate's decision to approve the agreement on the Brazilian debt with the Paris Club, and mentioned the approval of environmental protection projects:

[Begin Marques recording] We have been informed that, including at the bilateral level, several Brazilian projects of great impact—particularly for the Sao Paulo and Rio de Janeiro urban population—will probably be approved during the UN Conference on Environment and Development. [end recording]

Collor Views Salary Equity, Government System

PY3004031292 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 29 Apr 92

[Report by Lourival Macedo at Planalto Palace; recorded passages within quotation marks]

[Excerpts] After the ceremony celebrating Diplomats Day at Itamaraty, President Fernando Collor gave a news conference, during which he responded to the criticisms of some governors on the economic policy being implemented by the government, and expressed support for Economy Minister Marcilio Marques Moreira. [passage omitted]

Commenting on the military's request for better salaries, President Collor said this will not interfere with the national democratic process:

"Brazil is a democratic country and is proud of that. The Brazilian people are increasingly more active in the defense of individual and political freedoms. There is no possibility of a change in the institutional order."

President Collor wants to establish a salary equity for the employees of the three branches of the national administration before July:

"We must set a predictable deadline for the establishment of salary equity." [passage omitted]

Collor supported national electoral and party reform after the municipal elections. He believes that after the plebiscite on the government system and constitutional reform, the parties will have to adapt to the new reality. Collor regretted that the Congress declined to accept the government leader's proposal to postpone the Congressional recess from July to August, thereby ending the situation in which the municipal elections prevent congressmen from attending Congressional sessions.

Navy Minister on Salaries

PY2904191092 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Apr 92 Section 1 p 10

["Main passages" of an "exclusive interview" with Navy Minister Mario Cesar Flores by Gilberto Dimenstein and Sonia Mossri on 24 April; place not given]

[Text] [FOLHA] Minister, during the period of discussions of military salaries there was fear that the troops might be confined to their barracks. Is this also one of your concerns?

[Flores] Listen. Obviously, I cannot say that this theory does not exist, but it is feasible only in individual cases or in small groups. There is no chance that this might have some institutional consequences. I cannot say that dissatisfied people will not eventually engage in demonstrations to express their dissatisfaction, which might have repercussions among the people. I am, however, not very concerned about it.

[FOLHA] What is your opinion of Deputy Jair Bolsonaro?

[Flores] I think he is acting with electoral intentions. He uses real facts and manipulates them for electoral purposes.

[FOLHA] But did not Bolsonaro's action end up helping achieve the 80 percent increase established by the president?

[Flores] No. That only caused harm. The type of demonstration he is trying to make only hinders the process. Demonstrations do not yield a penny for us but they cause many problems and produce confusion, which is the feeling in society that the Armed Forces represent a risk.

[FOLHA] Is President Fernando Collor still studying a constitutional amendment to solve the military's equal-salary problem with the judicial and legislative branches?

[Flores] He is trying to fulfill what is already in the Constitution. The Constitution already outlines so-called salary equity, but has never been implemented. It refers to payments but does not say that benefits must be at the top of salary equity. Benefits cause distortions.

[FOLHA] Are the Armed Forces the way they are today prepared for war?

[Flores] No. I want to take the opportunity raised by this question to say that the military issue must stop reflecting only the salary issue. The Armed Forces is more than that, which our friend Bolsonaro does not understand. It is an issue of training for the exercise of its constitutional objective, and that is not good. If it is

something great that demands an effectively greater military effort, then we are not prepared.

[FOLHA] If the Armed Forces are not prepared for their constitutional functions, what are they good for?

[Flores] They are supposed to fulfill their constitutional role, but unfortunately they are not prepared to discharge these duties. Their raison d'etre continues to be that of fulfilling their constitutional mission: They are just not prepared to do so.

[FOLHA] Why do you think Congress does not pay much attention to military issues?

[Flores] There is one historical reason and one nonhistorical reason for this. During the empire's rule, Congress used to discuss military matters. Later, this practice was discontinued. There has been a failure to observe historical practices. Politicians have appeared to be disinterested in military issues.

[FOLHA] Do you believe that retired people are gaining more attention than the military?

[Flores] I do. I cannot think of public issues raising less interest than those dealing with national defense.

[FOLHA] Are the military ministers attempting to reverse this situation?

[Flores] We have made a great effort, although unsuccessful, to establish channels of communication. I was once called to brief the National Defense Committee on the Navy's situation. I arrived there at the scheduled time, but the briefing was diplomatically postponed because no one was there.

[FOLHA] What do you think about the pressure to have the Armed Forces join the fight against crime?

[Flores] I believe that idea is absurd. When hysteria takes hold of people they start to appeal to extreme solutions, and this could be dangerous. If one institution begins to depart from its basic role, it soon will find excuses for meddling in the bureaucratic administrative process. This cannot be good.

[FOLHA] When you talk about a bureaucratic administrative process, are you talking about a coup?

[Flores] It means to go into politics. I think you understood that perfectly.

[FOLHA] Why are you against the Armed Forces' involvement in the fight against crime?

[Flores] Our men are not trained for that. They are more inclined to react violently. Servicemen will not exercise self-restraint. Police are better trained to act in a conciliatory way.

[FOLHA] What do you think of the idea expressed by Robert McNamara—former U.S. secretary of state during the Kennedy administration and former World Bank chairman—to create a world army?

[Flores] I believe that a world army will be at the service of the world powers. Its operations will be subordinated to the interests of those in power. I could be wrong, but I have the feeling that McNamara's idea is designed to create a way of imposing order in Latin America.

[FOLHA] What do you think of the internationalization of the Amazon region, an idea that is defended by many military officials?

[Flores] We are not immune to slipping mentally some times.

[FOLHA] What do you think about the idea of creating a defense ministry?

[Flores] A defense ministry would be just an administrative bottleneck that would have both its pros and cons. I believe we will have one sooner or later. I am reluctant to accept it in light of Brazilian culture. If we can prepare the nation and the Armed Forces for it, it will be good.

[FOLHA] Is Brazilian culture a stumbling block for establishing a defense ministry?

[Flores] For historical reasons, we have maintained different branches within the Armed Forces, namely the Army and the Navy. The Army has had a large presence nationwide to the detriment of the Navy. The Army insists on playing a leading role. This ought to be overcome. I believe it is actually being overcome.

Collor Reaffirms Support for Economy Minister

PY2904173292 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 29 Apr 92

[Text] President Fernando Collor talked this morning about voting on the new minimum salary and reaffirmed his support for Economy Minister Marcilio Marques Moreira.

[Begin recording] [Collor] He not only has but he also will have my full and resolute support to continue pursuing the economic policy. I recently have said that the crossing in the search for stabilization and the resumption of economic growth already is taking place. More than half of the way already has been traversed and now it is time to persevere.

[Unidentified reporter] Concerning the minimum salary policy, what are your hopes, president?

[Collor] A single vote. [end recording]

Government Negotiating Oil Deal With Cuba

PA3004041392 Mexico City NOTIMEX in Spanish 2347 GMT 29 Apr 92

[Text] Rio de Janeiro, 29 Apr (NOTIMEX)—The governments of Brazil and Cuba are negotiating a contract

for oil exploration in Cuba, Ernesto Weber, president of the state-run Petrobras [Brazilian Petroleum Corporation] reported here on 29 April.

Jorge Bolanos, Cuban ambassador to Brazil, said at a news conference that the second round of negotiations will take place during the beginning of May in Havana.

The Cuban Government has signed contracts for oil exploration with French, Canadian, and Swedish companies and currently produces 1 million tons of crude oil for domestic consumption.

Petrobras produces 650,000 barrels of hydrocarbon per day and imports an equivalent volume for domestic consumption.

Government Gives Priority to Four Projects

PY3004035092 Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Apr 92 Section 1 p 4

[From the Brasilia bureau]

[Text] The government has come to the conclusion that during this six-month period it will not be able to approve the constitutional amendments pertaining to the fiscal readjustment and the deregulation of the economy, which are a part of the big amendment. On 28 April, Political Counselor Minister Jorge Bornhausen, together with the government's leaders in Congress, gave "priority" status to just four projects.

They are the Industrial Property Code, the Public Services Concession Law, the modernization of ports, and the rules and regulations for the General Advocator's Office of the nation. Bornhausen will meet with Genebaldo Correia, the PMDB [Brazilian Democratic Mobilization Party] leader in the Chamber of Deputies, on 28 April to ask for his help in the passage of these projects.

On 27 April Bornhausen asked four ministers for their help in gaining passage of the projects. The ministers are Affonso Camargo (Transport and Communications), Reinhold Stephanes (Social Security), [Marcus] Pratini de Moraes (Mines and Energy), and Celso Lafer (Foreign Ministry). Bornhausen wants these ministers to intercede with the congressmen so that these projects can be approved before the recess.

Meeting on Environment Seeks Improved Relations

PY3004032492 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 29 Apr 92

[Report by Carlos Gilberto Alves from Sao Paulo]

[Text] Congressmen and representatives of Latin American nongovernmental organizations associated with the environment want to improve relations between wealthy and poor countries.

Unless Latin American society makes a great effort to overcome the continent's political and institutional fragility, which are constantly threatening the plans for future development of the region, the criteria for the use of natural resources will not be modified and a new ecologically safe development model will not be achieved.

This is one of the main conclusions reached by nearly 200 congressmen and 60 nongovernmental organizations from 20 Latin American and Caribbean countries during the first official meeting of the UN Conference on Environment and Development—the Latin American Congressmen's Meeting. The meeting ended today at the Latin American Memorial in Sao Paulo. Those attending signed the Sao Paulo Charter. The charter points out that the disruption of the democratic process, such as that which occurred in Haiti and Peru, is a mere reflex of the economic, social, and political tragedy involving the entire continent. In the opinion of the Latin American congressmen, this tragedy is caused by debasing and unacceptable relations existing between developed and poor countries.

Peru

San Roman Insists on Dialogue With Fujimori

PA3004025292 Mexico City NOTIMEX in Spanish 2322 GMT 29 Apr 92

[By Julio Olvera]

[Text] Lima, 29 Apr (NOTIMEX)—Maximo San Roman, president of the so-called government of reconciliation, forecast today that "reason will prevail" and democracy will be restored in Peru, but he insists on holding a dialogue with the emergency government headed by Alberto Fujimori.

In statements to NOTIMEX, San Roman warned that his country runs the risk of becoming "completely isolated" if Fujimori "continues to be stubborn" in his refusal to deal with the opposition.

San Roman, who uses his residence in the San Borja District in Lima as his "presidential office," was the first vice president of the Fujimori administration before the dissolved Peruvian Congress proclaimed him the "constitutional president."

A senator of the dissolved Congress and a self-proclaimed "Peruvian to the core" because of his Andean background, San Roman voiced his opposition to Fujimori after the latter established the national emergency and reconstruction government that received the support of the Armed Forces.

San Roman pointed out there is a "very strong" current in the U.S. Congress determined to adopt a drastic measure and "exert pressure" on the emergency regime to restore constitutional order.

Maximo San Roman met today with Anthony C.E. Quainton, U.S. ambassador to Peru, who told him the U.S. Government is "closely following" the Peruvian situation. In his conversation that lasted over one hour, the diplomat commented that it is hoped democracy will soon be restored through dialogue.

San Roman feels the U.S. decision to suspend economic aid could extend to the point that it cancels all assistance completely, "and this will neutralize all the efforts of the Peruvian people."

He added: "We must prevent this situation, which could be fatal for our people. We must redouble efforts and race against the clock to find a solution to the impasse that is isolating us from the world."

According to the president of the government of reconciliation, Fujimori's attitude not only cooled relations with the United States, but it "seriously endangers" Peru's stand with the international community, particularly Europe and Latin America.

He added that several nations recognized the Fujimori government because "international rules call for supporting the individual who has control of the state, something I do not yet have. Everyone admits, nonetheless, that the established regime is a de facto, dictatorial, and totalitarian government," he pointed out.

He then said: "I hope the OAS will issue a precise, clear, and solid pronouncement so that Fujimori will no longer have any arguments for staying in the government."

The proclaimed constitutional president said he "feared for his life," and he blamed the "de facto dictatorship" for whatever happens to him, although he admitted he has not received any threats."

Site Needed for San Roman's National Dialogue

PA2904160792 Lima Panamericana Television Network in Spanish 1200 GMT 29 Apr 92

[Text] Dr. Carlos Garcia Garcia said that the national dialogue called for by Maximo San Roman will take place on 30 April, despite the Civil Construction Federation's decision to not permit the use of their premises for the meeting. Pedro Huilca reported that there were serious threats against Federation leaders. Garcia Garcia said that the meeting's venue will be confirmed soon.

[Begin recording] [Huilca] We are not rejecting the possibility of dialogue. The Federation always makes these facilities available for meetings and events. We had agreed with Engineer San Roman to hold this meeting here. As the days went by, we began receiving telephone death threats, and information that certain groups would come and stone the building if the meeting were held here. We are saying there are dark antidemocratic forces that do not want a return to democracy or to a legal state, and are trying to intimidate organizations and workers. Because of this, and so as not to endanger the building and union leaders' lives, we regretfully told Engineer San Roman that the meeting cannot be held on these premises.

[Garcia Garcia] We do not have to be very bright to figure out who is behind these threats. These are undoubtedly efforts to intimidate us so this dialogue does not take place. This indicates that there is no such freedom and gives some idea as to how a plebiscite would be held under current conditions, if citizens agreed to one.

[Reporter] Is this perceived as some sort of intimidation?

[Garcia Garcia] These are veiled forms of freedom curtailment and intimidation, as with Law Decree 25444. This is another way of intimidating us.

[Reporter] What will you do?

[Garcia Garcia] We will forge ahead using legal resources, reason, force of law, and by offering the possibility of dialogue. I believe that dialogue is a very effective instrument toward reaching concerted agreements and as a way out of this problem.

[Reporter] Have you found another location?

[Garcia Garcia] We are looking at other options; hopefully by tonight or first thing tomorrow morning, we shall have information about new premises. [end recording]

Election Board Supports Fujimori's Schedule

PA3004044592 Paris AFP in Spanish 2151 GMT 29 Apr 92

[Text] Lima, 29 Apr (AFP)—The National Election Board [JNE] will abide by the legal measures issued by the national emergency and reconstruction government of President Alberto Fujimori "because he is in control of the country," JNE Chairman Guillermo Castaneda said today.

"The JNE is a technical organization and not a political one, because it is ruled by the legal measures emanating from the government that provide the framework for such actions," said Castaneda, who was in charge of the 1990 general elections that brought Fujimori to power.

Castaneda said the proposal made by Vice President Maximo San Roman—who was proclaimed by the dissolved Congress as the "constitutional president"—for convoking the election of a constituent assembly next 5 July is "only a personal opinion."

According to the timetable announced by Fujimori for restoring democracy, a plebiscite is scheduled for that day so the people will voice their opinion on the need for amending the 1979 Constitution. Castaneda reiterated that the JNE has the capacity to hold that plebiscite, but the government has not issued any decree so far.

Fujimori dissolved Congress last 5 April, and the 12-month timetable for restoring democracy includes elections for a new legislature on 28 February 1993; however, these have not been convoked either.

Several Dead, Hurt After Clash With Military

PA2904191492 Lima Global de Television Network in Spanish 0100 GMT 29 Apr 92

[Excerpts] At least three people were killed and 13 injured during a clash between soldiers, police, and residents of the Felix Raucana shantytown on Central Highway. Shantytown residents were protesting the presence of soldiers and police and demanding the release of two community leaders who were arrested a few days ago.

At approximately noon on 28 April, the mood was heated. Residents of the Felix Raucana shantytown were demanding in a threatening manner that the soldiers release Secretary General Felix Condor and leader Pedro Heredia Torres, who were arrested on 27 April. [passage omitted]

Until that moment, it seemed that the situation would calm down. But at approximately 1230, without warning, most of the reporters covering the events in the Felix Raucana shantytown found themselves in the midst of a violent confrontation between two (?groups).

After the confrontation, the casualties, initially six, were removed from the area. [passage omitted] As a result of this violent confrontation between soldiers, policemen, and residents of the Felix Raucana shantytown, three people are dead and 13 are seriously injured. Four of the casualties are soldiers.

New Group Formed; Calls For Violent Struggle

LD2904203992 Madrid RNE-1 Radio Network in Spanish 1800 GMT 29 Apr 92

[Text] In Peru, some of the potential problems that had been warned about are now becoming reality. A new armed group has begun to be created in this country in response to the coup d'etat by President Fujimori. It is the FAL, the Anti-imperialist Liberation Front [Frente Anti-imperialista de Liberacion], which has been set up by members of a number of left-wing parties who have no qualms about initiating an armed struggle against the dictatorship. Our special correspondent in Lima, Javier Gonzalez, got in touch with the leaders of this armed organization:

[Gonzalez] Rodrigo Fonseca, a member of the Central Committee of the FAL, told Spanish radio that they have emerged in opposition to the dictatorship of Fujimori and in response to what they consider to be a lack of leadership by the opposition parties in the face of the new regime:

[Begin Fonseca recording] Our aim is to stand up to the dictatorship and subsequently, when democracy is restored, our immediate aim is going to be to strengthen democracy, but not a legislative democracy, not a democracy of a formal type, but rather a truly popular and representative democracy. [end recording]

[Gonzalez] The possibility of moving to an armed struggle is analyzed in the following circumstances:

[Begin Fonseca recording] We are going to stand up to the dictatorship in different ways. We are going to employ a number of actions. We are going to use violence because we face violence. We are also going to carry out a task of popular education, but I have to be clear: We act in terms of violence as a response to the violence of the state; the more the violence of the state, the more the violence of the dictatorship, then the greater the violence with which we shall have to radicalize our actions. [end recording]

[Gonzalez] Rodrigo Fonseca denied any link with other groups such as Shining Path, the Tupac Amaru Movement, or the Rodrigo Franco Commandos. In particular he criticized Shining Path for its dogmatism and sectarianism, and criticized the Tupac Amaru Revolutionary Movement on the grounds that the way it carries out armed struggle is not the right one.

APRA Leader Released, Claims Police Torture

PA3004040992 Mexico City NOTIMEX in Spanish 2148 GMT 29 Apr 92

[Text] Lima, 29 April (NOTIMEX)—A youth leader of the American Popular Revolutionary Alliance, APRA, the main opposition party, was released on 29 April, exhibiting signs of torture. According to him, he was kidnapped 15 days ago by state security forces.

Andres de los Rios, 30, who was in charge of protocol in the closed Chamber of Deputies, accused members of the National Police of mistreating him during the days he was held under arrest and incommunicado by various official agencies.

He said his captors tortured him in an attempt to force him to confess that he was member of a paramilitary group and to find out the whereabouts of former President Alan Garcia Perez, who has been in hiding since 5 April, when Peru's institutionality was destroyed.

De los Rios said he was detained on 14 April after participating in demonstrations staged by workers of the dissolved national Congress.

Jorge del Castillo, a Social Democrat, who accompanied de los Rios to his residence, told NOTIMEX that he shows signs of torture in various parts of his body, but his health is not in danger.

The APRA reported the case to members of the special OAS mission and the OAS Human Rights Coordinating Board who visited Peru last week.

Pilar Nores, wife of former President Alan Garcia, presented similar protests and requested guarantees for

her husband, who she said will continue to resist Alberto Fujimori's regime from hiding.

After dissolving the Peruvian Congress, Fujimori ordered the Armed Forces to arrest several political leaders, particularly APRA members, under the pretext of moralizing the country and preventing antigovernment demonstrations.

Decree Extends State of Emergency in Grau

PA2904194692 Lima Radio Programas del Peru Network in Spanish 1800 GMT 29 Apr 92

[Text] The national emergency and reconstruction government approved a law through a supreme decree declaring that the state of emergency be extended in Grau Province for 90 days.

The law covers the housing and construction sector and local governments and their respective municipal enterprises, which administer potable water and sewer services. According to the law, the Housing and Construction Ministry will transfer 980,000 and 1.83 million new soles to the Mapatumbes and Sedapiura enterprises, respectively.

The money is intended to rebuild the potable water and sewer systems in Tumbes. In Piura, sewer system projects will be started.

Decree Approves Elections of Mayors, Councilmen

PY2904223092 Lima EL PERUANO in Spanish 17 Apr 92 Legal Supplement p 106324

[Supreme Decree No. 044-92-PCM issued by the Peruvian Government in Lima on 15 April]

[Text] Supreme Decree No. 044-92-PCM

The President of the Republic
Considering

Under Article No. 7 of Law No. 14669, the municipal councils should be renewed every three years and general municipal elections should be held on the second Sunday of the month of November prior to their swearing in, which will take place on 1 January 1993;

And under Article No. 1 of Law No. 23671, the President of the Republic must call elections for mayors and councilmen, no less than six months before the date these elections should take place, and;

Following the attributions granted him in Clause No. 5 of Article No. 211 of the Peruvian Constitution:

Hereby decrees:

Article 1. Elections for provincial and district mayors and councilmen throughout the Republic will be held on Sunday, 8 November 1992.

Article 2. Said elections will be held in compliance with Article No. 253 of the Constitution and under the amendments in Laws. No. 14250 and 14669, their expansions and modifications.

Article 3. This Supreme Decree will be approved by the president of the Council of Ministers and housing and construction minister and by the interior minister.

Issued at Government House, in Lima, on 15 April 1992.

Alberto Fujimori Fujimori—Constitutional President of the Republic
Oscar de la Puente Raygada—President of the Council of Ministers and Housing and Construction Minister
Juan Brines Davila—Interior Minister.

Venezuela

Carabobo State Police Strike for Better Wages

PA2904185292 Paris AFP in Spanish 1509 GMT 29 Apr 92

[Text] Valencia, Venezuela, 29 Apr (AFP)—Journalists in Valencia, 80 km from Caracas, reported that state police in Carabobo, an industrial state in Central Venezuela, on 29 April began a strike to demand better wages.

The policemen demand an increase in their current $140-a-month wage and other salary benefits, and that the police force be led by a career officer and not by a general from the militarized National Guard.

Last week, state police in Merida, in the Venezuelan Andes, began a strike that turned violent when students, backing the police in their demands for a higher salary, faced Army and National Guard troops and looted banks and businesses.

The local government responded to the police demands by reorganizing the police force and dismissing 60 strikers. Since then, police in at least four other states have declared their intention to join the Merida State strike.

In Caracas, a metropolitan police strike failed, but rumors of salary discrepancies persist among the policeman, even though in Caracas they earn nearly twice the salary of police in Merida and Carabobo.

Strike Ends; Accord Reached

PA3004044892 Caracas Venezolana de Television Network in Spanish 0000 GMT 30 Apr 92

[Excerpt] A strike called by Carabobo State policemen, which began on the morning of 29 April had a happy ending after the 2,300-member police force reached an agreement with the regional government to increase minimum salaries from 9,500 to 13,600 bolivars.

Since early in the morning, the Carabobo police officers suspended their activities to demand higher wages and social benefits. At 1300, Carabobo State Governor

Enrique Salas and other regional executives negotiated new contracts for the police force. The new agreement will include a provision stating that of the total number of houses built by the regional government, 5 percent of them will be set aside and allocated for police officers. The agreement also calls for an investigation into the police savings bank because of alleged irregularities.

The Carabobo government will purchase a defense insurance policy for police officers accused of committing alleged crimes while performing their duties. [passage omitted]

Defense Minister Comments on Prisons, Colombia

PA3004010292 Caracas Venezolana de Television Network in Spanish 1600 GMT 28 Apr 92

[Interview with Defense Minister Fernando Ochoa Antich by unidentified reporter at the Miraflores Palace in Caracas; date not given—recorded in progress]

[Text] [Reporter] ...they have reported to the archbishop's office that they have not been treated well?

[Ochoa Antich] First I would like to highlight a very important point. There are currently eight officers under arrest at Yara: seven senior officers and one junior. At this time there are 23 officers at the San Carlos Army Barracks and 20 officers at Fort Tiuna. I want to call attention to the difference in the conduct of the officers being held at San Carlos Army Barracks and Fort Tiuna and the conduct of the officers at Yara who are constantly causing problems. I think the real objective behind their conduct is to make newspaper headlines. That is the real reason, and I am forced to call it as I see it. Then can someone tell me why the other officers who are being held under the same normal conditions are not causing problems? Of course, I must acknowledge that Yara prison is not one of the best, given its proximity to a civilian prison. However, I must add that all the other military prisons in Venezuela, with the exception of San Carlos, are located close to civilian prisons. Therefore, there is no real justification for them to be constantly protesting. I think they are doing it to get the public's attention.

[Reporter] Mr. Minister, there have been complaints by the mothers of several young soldiers who have been drafted and subjected to hazing. What can you say about this?

[Ochoa Antich] Unfortunately, you know as well as I do that this issue is based on a structural problem in Venezuelan society. In respect to the draft, the procedure to follow is coordinated and carried out by civilian authorities. Unfortunately, on occasion, the civilian authorities do not carry out their responsibilities as well they should and some Venezuelan citizens do not do so either. Then what we have is that on numerous occasions some young Venezuelans who have been drafted do not appear on the military entry books, do not have the appropriate documentation, and are subsequently arrested by the police. I believe...

[Reporter, interrupting] What can you say about the alleged link with anti-Castro groups disclosed by an UNIVISION program. Is there any truth behind these allegations which have originated from military sources?

[Ochoa Antich] To be quite honest, I read about it or saw the video. I believe the name of the video is 4S [as heard]. It is quite clear from the video that there are disturbances in Venezuela that bear a resemblance to the 1960's disturbances and portray a clear link to Venezuelan extreme leftist groups.

[Reporter] What is being done to counteract these activities?

[Ochoa Antich] I think institutional order has been reestablished in Venezuela. As I previously said on a television program, Venezuelans have clearly indicated, after having gone through what has come to be known as the pots and pans protests, that they want meaningful social and political changes to be made through peaceful and civilized means. Therefore, neither a military coup nor terrorist measures are the correct solutions to obtain a more positive destiny for our country. I am totally convinced that all Venezuelans will struggle for the changes we want, but through peaceful and civilized means.

[Reporter] You said during your appearance before Congress that if changes were not implemented there would be violence.

[Ochoa Antich] I am sure there will be changes because the Venezuelan people will look for ways to bring about these changes.

[Reporter] Could you please expand on the letter exchange you had with the Colombian general regarding the Gulf of Venezuela?

[Ochoa Antich] General [Alvaro] Valencia Tovar, a distinguished member of the Colombian Armed Forces, sent me a letter which I thought would remain confidential. I was surprised when I saw it published in the Sunday 26 April edition of EL NACIONAL newspaper. Hence, I was forced to reply publicly to Gen. Valencia Tovar. I believe the content of the letter is very clear and needs no explanation. The essence of his letter refers to his concern that statements made by the minister of defense when referring to territorial issues could be taken out of context and given a hostile interpretation. In this respect, I have clarified that in no way should my statements be taken as such, as Venezuela has maintained a pacifist stand for a long time. On the contrary, any statements made by the Venezuelan defense minister related to the Gulf have only been intended to make the Colombian people aware of the Venezuelan Armed Forces' stand on the issue. Considering the modern security and defense components, there is undoubtedly no place for secret diplomacy.

[Reporter] [Question indistinct]

[Ochoa Antich] Just routine matters.

[Reporter] [Words indistinct] ...U.S. citizens, specifically in Venezuela? Does that include persons directly responsible for the president's safety and security.

[Ochoa Antich] No, that is completely false. I want to be very clear and firm in rejecting the existence of any foreign security bodies to protect the president. As I said, that is totally false. In the sense that there are Venezuelan officers in the United States, there are occasions when the Venezuelan Armed Forces and the U.S. Armed Forces carry out joint maneuvers. These maneuvers include the Air Force and the Army. They are simply joint maneuvers which in no way jeopardize Venezuelan sovereignty.

* Finance Minister Presents 1993 Budget

92SM0349A Caracas EL UNIVERSAL in Spanish Section 2 19 Mar 92 p 1

[Article by Bernardo Fischer]

[Text] Finance Minister Pedro Rosas Bravo has given the National Congress choice. Without tax reform, the 1993 fiscal budget will not be feasible unless the bolivar is devalued.

Rosas Bravo is appealing to the Congress for immediate approval of the Selective Sales Tax Law, the luxury goods tax, and the tax on assets.

He warned that with the series of events related to last 4 February, as well as the drop in oil income, the fiscal crisis is not merely projected but is rather a problem that is present this very year.

He recognized that for this year a fiscal gap on the order of 3 percent of the GDP has been produced, which in absolute terms means that it could reach 90 billion bolivares.

In initial projections presented to the banks and financial risk evaluation institutes, the Branch indicated that the fiscal gap was one percent of GDP, about 45 billion bolivares.

In his speech to the Congress, the head of the Finance Ministry admitted that the urgency required by the law in presenting the budget (nine months before its definitive implementation) affects the rigor and precision of the fiscal estimates for 1993.

Nevertheless, he indicated that the proposed budget was conceived in line with economic policy, which in this second phase of the government's program, proposes to "wage full war against the despoiling of the Public Treasury, which occurs through corruption, and the despoiling of family income, which occurs through inflation.

"The anti-inflationary strategy requires a balanced fiscal policy, sustained in a modern monetary structure, which will allow removal of the temptation to resort to monetary devaluation as a source of fiscal revenue."

He recalled that 70 percent of the nation's budget is consumed in covering the Republic's legal and contractual commitments, among them the constitutional requirements, debt service payments, contributions to the Venezuelan Investment Fund, the housing policy law, the Venez..elan Social Security Institute, the INCF [expansion not given], and reasonable increases in the collective contracts of State workers.

"The remaining 30 percent is allocated to expenses for the operation of the public organization: ministries, the Congress of the Republic, the Judicial Council, the Attorney General of the Republic, the Controller General of the Republic, and the Supreme Electoral Council."

Rosas Bravo announced that his office is open to seeking drastic solutions for cutting public expenditures. He is especially interested in immediately initiating an urgent discussion to reduce the number of autonomous institutions, foundations, and decentralized entities in general.

The 1992 Fiscal Crisis: Three Percent Deficit

Before announcing the sum of revenues comprising the trillionaire 1993 budget, the Finance Minister pointed out the stumbling blocks this year.

On that vein, he enumerated the following elements:

1. A sharp decline in oil prices, which has resulted in a cut in the current fiscal budget by 53.111 billion bolivares.

2. Suspension of the increased prices of gasoline and other oil derivatives, which has reduced fiscal revenue by a total of approximately 13 billion bolivares.

3. A second adjustment in the oil parameters, which translates into lower export volume and lower prices for the basket of crude and derivative products. All these changes in the oil market represent a decline in revenue on the order of 53 billion bolivares.

4. The urgency of an additional credit to address commitments not contracted in the 1992 proposed budget, including collective bargaining with teachers and payment of university debt; collective bargaining of health sector workers; increasing the remuneration of public employees; adjustment in the minimum salary level; amortization of the foreign and domestic debt; and other commitments that, together, add up to close to 98 billion bolivares.

5. A second additional credit, to maintain investment in social programs, known as "Social Megaproject," for a total of 57 billion bolivares, which will be financed with resources from privatization and will be presented to the National Congress in the next few days.

These social programs include the following fields: potable water supply and environmental cleanup (15 billion bolivares); expansion of the maternal/infant assistance program (PAMI) by 7.205 billion bolivares; the equipping, funding and renovation of intermediate, basic, technical, and artistic educational facilities for

4.781 billion bolivares; the rehabilitation and funding of school cafeterias for 1.569 billion bolivares; the expansion of the multi-home program by 4.8 billion bolivares; and the expansion of the Gran Mariscal de Ayacucho Scholarship Plan by 4.670 billion bolivares.

Without New Taxes, There Is No Solution

Rosas warned that the fiscal crisis is not a projection but rather a reality. The fiscal deficit this year will reach three percent of GDP, which in absolute terms is equivalent to a total of 90 billion bolivars.

Given this situation, the finance minister said that approval of the new taxes, as proposed by the president, was urgent. That is because of the low fiscal burden of only 3 percent of GDP, which is minuscule compared to other Latin American countries where it reaches 20 percent, not to mention the industrialized countries where the fiscal burden is between 30 and 40 percent.

To this it can be added that per capita oil revenue in Venezuela has declined from $1,800 in 1981 to less than $600 in 1991.

"In this environment of great fiscal difficulties, we resort to the president's proposal to come to an agreement on approving the asset tax, the tax on luxury goods consumption, and the select sales tax, in such a way as to be able to increase tax collections without affecting the propensity to invest and to establish a tax system grounded on the principle of equality, according to which the burden is higher for those with higher incomes."

He also requested the Congress's assistance in accelerating reform of the Organic Tax Code, which will make available mechanisms to punish tax crimes and reduce tax evasion.

The 1993 Budget: A Trillion Bolivares

The proposed budget proposes total revenue of 1.032 trillion bolivares. This includes ordinary revenue of 849.210 billion bolivares, including oil taxes totalling 555.339 billion bolivares, based on export volume of 2.1 million barrels per day, assuming a price of $16.50 per barrel and a rate of exchange of 65.5 bolivares per dollar.

In addition, other tax revenues of 59.207 billion bolivares are anticipated, resulting from the tax legislation initiatives that the Executive Branch will submit for consideration to the sovereign Congress of the Republic, simultaneously with discussion of the proposed budget.

The only reason for this timing is because of the fiscal emergency the country is experiencing as part of the economic, social and political crisis. For that reason, we hope it will be understood in its full significance, given that if the new tax laws are not authorized, we will have to reduce expenditures to be able to comply with the fiscal balance required by the Organic Law of Budgetary Regime.

In addition, extraordinary revenue totalling 182.845 billion bolivares is anticipated, ten percent less than in 1992. Included in this category is 113.324 billion bolivares for refinancing payment of principal on the foreign debt due in 1993, which in no way implies increasing the balance of public debt.

Also included are 47.045 billion bolivares authorized in the current proposals, and 14.476 billion bolivares from balances made available during the course of privatization.

As part of the policy to improve tax collections, the Ministry of Finance's restructuring and modernization process will continue to be expanded in 1993, particularly the area of customs duties, which will make a much more efficient administration possible while making it less discretional.

The 1993 expenditure budget is based on a strict criteria of accounting balance at 1.032 trillion bolivares, which means a nominal increase of only 7 percent over the 1992 adjusted budget, and in real terms a 10 percent decrease.

It is to be pointed out that this increase is totally absorbed by the constitutional requirement (40.024 billion bolivares), debt service (79.305 billion bolivares), and other legal and contractual commitments totalling 7.615 billion bolivares.

As we have explained in the summary page, the 1993 proposed budget has been formulated under conditions of austerity and fiscal rigidity. In effect, it only includes recurring expenditures from the year 1992, plus the proposed adjustments for this year resulting from the application of the new wage scale, collective bargaining, the minimum salary, and the expansion of social programs.

It is also to be pointed out that public expenditures in the production of goods and services, in practice decreases in real terms by some 15 percent from the previous year.

Rosas Bravo stated that the financial system's structural crisis has no other solution other than a modernization and expansion of the national economy's tax base.

He asserts that unless there is tax reform the 1993 fiscal budget will not feasible, unless recourse is taken to devaluing the bolivar, which is an inflationary tax with clearly regressive consequences on the distribution of fiscal revenue.

In his view, there is no other alternative. Either tax those who have the most, or subject the entire population to inflation.

The Budget in Numbers

The government offers two scenarios for the nation's 1993 budget. The first is based on a price of $16.50 per barrel of oil, an export quota of 2.1 million barrels per day and a rate of exchange of 65.50 bolivares per dollar. The budget was presented to the National Congress using these parameters.

The parallel, or alternative budget, presents an average price per barrel of oil of $14; an export quota of 1.9 million barrels per day, and an average rate of exchange of 75 bolivares per dollar.

With these latter parameters, the 1993 budget will fall to 962.271 billion bolivares, that is, 69.784 billion less than in the original budget.

With respect to internal revenue, the following collections are anticipated:

Income tax (86.699 billion bolivares), liquor (11.993 billion), cigarettes (13.387 billion), customs duties (66.995 billion), matches (44.45 million), futures contracts (587.5 million), tolls (126 million), petroleum derivatives (33.082 billion), property registration rights (4.457 billion), tax stamps (6.384 billion), tax program (46.023 billion), and other taxes (11.251 billion). In total, internal revenues amount to 281.012 billion bolivares, which represents 27 percent of total revenue.

Extraordinary 1993 revenues total 182.845 billion (17 percent of the budget), and are composed of the following categories:

Privatization (14.476 billion), merger of companies (8 billion), other proposed laws (47.045 billion) and the program to refinance the debt, which totals 113.324 billion bolivares.

Fiscal Revenue 1993 (Millions of Bolivares)

Item	Estimated 1992 Budget	Proposed 1993 Budget
I. Ordinary	674,026	849,210
A. Oil	467,522	552,339
1. Income Tax	347,185	410,147
2. Hydrocarbon Income	120,337	142,192
B. Iron Revenue	2,014	2,675
C. Non-Oil Revenue	204,490	294,196
1. Income Tax	79,072	86,699
2. Liquor and Cigarettes	22,442	25,381
3. Customs	57,891	66,995
4. Oil Derivatives	30,297	33,082
5. Tax Stamps	4,093	6,385
6. Other Tax Revenue	0	59,207
7. Other	10,695	16,447
II. Extraordinary	202,181	182,845
A. Privatization	57,024	14,476
B. Company Merger Debt Payments	28,000	8,000
C. Refinancing Law	29,068	0
D. Program Laws	55,994	47,045
E. Treasury Reserves	8,816	0
F. Sale of Other Assets	500	0
G. Issuance of Domestic and Foreign Debt	19,093	0
H. Foreign Debt Reduction Program	3,686	0
I. Refinancing	0	113,324
Total	876,207	1,032,055
Production (Thousands of Barrels per Day)	2,347	2,497
Exports (Thousands of Barrels per Day)	1,950	2,100
Local Sales (Thousands of Barrels per Day)	346	346
Sale Price ($/Barrel)	15.00	16.50
Rate of Exchange (Bolivares/$)	64.50	65.50
Legal Margin (Percent)	20.00	20.00

Guyana

Economic Recovery Program Gains EEC Support

FL2804225092 Bridgetown CANA in English 2104 GMT 28 Apr 92

[Text] Georgetown, Guyana, April 28, CANA—Guyana's Economic Recovery Programme this week received nearly G700 million dollars (one Guyana dollar = 0.8 U.S. cents) in balance-of-payments support from the European Economic Commission, the state information agency announced Tuesday. According to the Guyana Public Communications Agency (GPCA), the Finance Ministry reported the approval of a 4.5 million ECU grant from the commission's Structural Adjustment Facility (SAF) Monday.

The grant, the EEC's second to Guyana, will be used to finance a "general import programme." Raw materials, equipment, and spares mainly for Guyana's private sector, will be secured during the second half of this year.

The GPCA said the counterpart funds generated from this import programme are to be disbursed on projects in the health and education sectors. And a portion of the generated funds will also go towards financing the infrastructural rehabilitation programme. Under this programme, ferries, drainage and irrigation systems, and other key infrastructure are being rehabilitated with European aid.

The Commission last year approved a grant worth over G4 billion dollars (26 million ECU's) under the Fourth Lome Trade and Aid Convention. The money was used primarily for sea defence rehabilitation, ferries, stellings, pure water supplies, and the Demerara Harbour Bridge. The [words indistinct] an EEC G14 billion dollars grant (90 million ECU's) for a Caribbean regional programme.

The rehabilitation of the lone international airport, Timehri, and the construction of student accommodation at the state-run University of Guyana are the areas earmarked under the Caribbean regional programme.